

Euro? Americans Wonder What to Make of It

By John Vinocur

International Herald Tribune

WASHINGTON — Among America's bankers, businessmen, economists and politicians, William McDonough, president of the Federal Reserve Bank of New York, is one of those who sees the coming of the euro, Europe's common currency, as a positive and even remarkable development.

What Mr. McDonough regrets is that the United States pays only limited attention to the undertaking. "It's sad there's so little interest and such ignorance so far," he says.

As seen from America, the birth of

the euro next year ain't no big deal.

But the fact is that if there is no distinctive, or instinctive, American attitude toward what could be one of Europe's great achievements, the United States has started looking more at the euro and its implications, although in a subordinate, segmented, and hardly unanimous way.

The Clinton administration approaches Economic and Monetary Union, known as EMU, with a favorable tonality and an official discretion that mask an edge of watchfulness. At the same time, some of the country's most visible economists

have taken critical and dismissive positions on its chances of success, warning about the new currency's potential for political friction and economic misery. Business, big and small, looks at it as a positive occasion for rationalizing exchange-rate accounting and trade opportunities. But public opinion, in the widest sense, thinks of the euro not at all; officials of the European Union say they do not know of a single poll asking Americans if they have a point of view on the subject.

In a country where confrontation with Iraq, Asian financial disintegration, a swirl of scandal at the White

House, and the movement of the Dow Jones average are the hour-to-hour realities of public life, the euro is considerably less than a pulsating consideration even at the Department of the Treasury. The thin strand of continuity that now characterizes the attitude of the greater American economic community toward it lies in the expectation, hardened only in the last six to eight months, that its first phase will come to life on schedule on Jan. 1 next year.

"You hear questions that have the premise we're concerned about European Monetary Union," said Daniel

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State Layoffs in 1998 to Hit 3.5 Million, Beijing Says

Half of Public Workers Said to Be Unneeded

Compiled by Our Staff From Dispatches

BEIJING — Looming layoffs of government workers across the country are likely to swell the ranks of China's unemployed by 3.5 million this year, Labor Minister Li Boyong said Sunday as he announced an expanded unemployment fund to tide over the jobless.

Mr. Li admitted to worker demonstrations over layoffs. He and Chen Qingtai, deputy minister of the State Economic and Trade Commission, gave new clues about Beijing's reform plan with the frankest official assessment yet of expected job cuts in the state sector.

Mr. Li predicted that the layoffs would add 3.5 million jobs to the 11.5 million unemployed this year and indicated that China could sustain a jobless rate of 5 to 6 percent — about double the official 3.1 percent.

Mr. Chen went further, conceding that as many as half of the tens of millions of employees at state-owned enterprises would be laid off.

China's job market is going through major restructuring as the central government seeks to streamline the economy and ward off the effects of the Asian financial crisis. About 75 million people are employed in the bloated and inefficient government sector.

Of the 11.5 million laid-off workers at the end of 1997, 7.87 million were from the state sector, Mr. Li said.

Mr. Chen said, "The state-owned sector covers too large a scope, from shoe mending to satellites, and this cannot continue."

Unemployment is one of the stickiest problems being discussed at this year's session of the National People's Con-



Police in Beijing detaining two people who were trying to get into the heavily guarded Great Hall of the People on Sunday to protest to Parliament over losing their jobs at a state-run oil company in Hebei Province.

gress, China's Parliament, which opened Thursday.

Mr. Li said, "Because of wage problems and because of disputes between workers and enterprise leaders, some workers have launched complaints and in such cases, as strikes or quarrels, all these incidents have been appropriately dealt with."

"It is a very difficult task to expand job opportunities, and so we are also preparing an unemployment insurance

plan," he added. Mr. Chen reiterated the need to trim the state-sector labor force, but said that it should be a gradual process.

"Within these enterprises, if a third of the work force were cut, these enterprises could still operate normally," he said. "If half of the workers were reduced, some enterprises could operate even better."

China's official urban jobless rate was 3.1 percent at the end of 1997 based

on unemployment registration, up 0.1 percent from 1996, but that would rise to 4.2 to 4.3 percent if other counting methods were applied, Mr. Li said.

"I personally believe the unemployment rate arrived at by the sampling method does not reflect the real situation because it also includes people who have no intention of finding work," he told reporters. "The official

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A New African Oil Boom

Trove in Equatorial Guinea Fuels Foreign Frenzy

By Howard W. French

New York Times Service

MALABO, Equatorial Guinea — Like many officials in this tiny West African country, Cristobal Manana Eia of the Mining Ministry here is still having a hard time coming to terms with Equatorial Guinea's fantastic oil windfall.

Last year alone, offshore petroleum production, which was begun here only recently by Mobil Oil Corp., earned this poverty-stricken country an estimated \$100 million, doubling the gross domestic product overnight.

What is more, Mobil's production, currently hovering at about 80,000 barrels a day from a single deep-water field code-named Safford, is projected to grow steadily. Mobil and other companies are already scrambling for the rights to explore for more deposits on deep-water blocks nearby.

"Safford doesn't even represent one-tenth of the potential production of Equatorial Guinea," said Mr. Manana, beaming as he surveyed charts of the unexploited blocks that will soon be put up for bidding. "What we are about to see in my country is an economic explosion."

At the end of the Cold War, many in Africa feared an outright abandonment by the developed world. But instead, in one country after another, fierce competition among foreign oil companies is replacing the cutthroat ideological struggles of the past. And the new economic competition in equatorial Africa is every bit as fraught with intrigue.

Over the next 20 years, industry experts say, Western oil companies will invest between \$40 billion and \$60 billion in the Gulf of Guinea alone.

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Mobil Oil vessels in the Gulf of Guinea, where production began last year.

IHT Prints in Greece: A Note to Readers

The International Herald Tribune opens its 15th global printing site today with the start of a joint venture in Greece with the Athens-based daily Kathimerini.

The full IHT will be printed on the Kathimerini presses and combined daily with a separate six-page section in English from Kathimerini.

The section will include political and economic news of Greece, opinion and commentary, and local listings of arts, theater, movies and television. Every Saturday, special



weekend features will be added. It is the second such joint venture for the IHT. A combined publication was begun last September with the Israeli newspaper Ha'aretz.

Albright, in Europe, Exhorts Allies to Stop Serb Violence

By Joseph Fichett

International Herald Tribune

PARIS — Secretary of State Madeleine Albright urged leading European governments Sunday to join the United States in urgent steps to halt the Serbian crackdown in Kosovo before a new civil war ignited in the Balkans.

Blaming Yugoslavia and President Slobodan Milosevic for the crisis, Mrs. Albright said, "We have to show him he is losing more than he is gaining by continuing his present course of action." She was speaking in Paris during a weekend swing through Europe before an international crisis meeting on the ethnic-Albanian province in London on Monday.

In trying to find an effective way to channel rising international concern about Kosovo, Mrs. Albright in her European stopovers refused to rule out any option, including force, that might persuade Mr. Milosevic to accept an international dialogue on the conflict.

Despite her tough language about the need for action, Mrs. Albright avoided reiterating the long-standing U.S. position that Serbian repression in Kosovo could trigger U.S. military action.

In a reminder of international inaction before the civil war in Bosnia in 1991, she said that "moral condemnation and symbolic gestures of concern alone will get us nowhere" in halting the momentum toward war in Kosovo, a Yugoslav province whose population is 10 percent Serbian and 90 percent ethnic Albanian. The Muslim population has historical and political ties to the people of neighboring Albania and to Muslim minorities in countries throughout the region, including Greece and Macedonia.

Serbian police actions, described in Belgrade as "an anti-guerrilla sweep," reportedly caused as many as 50 deaths this weekend among Kosovo's Albanians, a development that diplomats feared could be the spark for a long-predicted explosion.

Reflecting the mood of apparent dismay among Western governments, Mrs. Albright spoke about "the necessity to think about how to protect the borders better" in an effort to contain the fighting.

She said the Clinton administration, reversing a decision to withdraw an 800-man contingent of U.S. forces stationed in Macedonia under United Nations auspices, wanted to keep them there to help prevent a spillover of violence.

U.S. officials said Sunday they were confident Congress would back the extension, if necessary under new auspices as a North Atlantic Treaty Organization training mission.

Strong verbal support for the overall U.S. call for united action came from European leaders, especially Germany, which has a significant immigrant community of ethnic Albanians from Kosovo. Foreign Minister Klaus Kinkel, speaking at a news conference with Mrs. Albright on Saturday in Bonn, said that there were "no differences of opinion on further punitive steps which should be and could be taken" to press Bel-

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Ethnic Albanians protesting Sunday outside a U.S. agency in Pristina.

A Nightmare In the Balkans Comes Back to Haunt the West

By Chris Hedges

New York Times Service

PRISTINA, Yugoslavia — Of all the tinderboxes in the Balkans, Kosovo may be the nastiest. It is the place where an armed rebellion by the ethnic Albanian majority against their Serbian rulers could easily draw in restive Albanian minorities in neighboring Macedonia and Montenegro. Perhaps it could then draw in Albania itself, then Turkey and Greece.

That would produce the true nightmare: an international conflict that would pit the region's Orthodox Christians against its Muslims on a large scale.

Such nightmares have been part of the world's thinking about the Balkans for a decade now. Indeed, when North

NEWS ANALYSIS

Atlantic Treaty Organization forces were sent to Bosnia three years ago, policymakers felt they were forestalling just such a messy escalation.

Now, it seems, they are going to have to think again about Kosovo, a tiny Serbian province where 90 percent of the people are ethnic Albanians, where armed rebellion is surfacing and where the Serbian government has vowed to keep control no matter what the world thinks of its methods.

It may sound like Kosovo is Bosnia all over again, but that is wrong, both because escalation may be much more difficult to control here and because Kosovo came first.

The scenario of warfare radiating from Serbia was, in fact, first written not about Bosnia but about Kosovo in the late 1980s. It was there that the Serbian dictator, Slobodan Milosevic, set Yugoslavia on the path to disintegration by appealing to the ethnic insecurity of Kosovo's tiny but powerful Serbian minority, which attaches mythic importance to the region as the site of a medieval battle lost to the Turks.

What followed offers a lesson in how intricately fear, distrust and intrigue can act together to defeat the best instincts of people who would prefer to use non-violent political methods in the Balkans.

Americans and others may have thought they were calming the region by enlisting Mr. Milosevic as a partner in the accords that have pacified Bosnia. But people in Kosovo see it differently: To them, watching Bosnia has only confirmed their worst fears about Serbian force and Western detachment, and this is a big reason their land now seems on a descent into open warfare.

When Yugoslavia was a Communist federation, Kosovo enjoyed the status of an autonomous province within the Serbian Republic. But in 1989, Mr. Milosevic had chosen as his path to power

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Clinton Partner Dies in Prison

WASHINGTON (AP) — James McDougal, the Arkansas businessman who was President Bill Clinton's partner in the failed Whitewater development, died Sunday in a Texas prison.

Mr. McDougal, 58, who was sentenced last year to three years in prison for fraud and conspiracy, died in a medical prison in Fort Worth, Texas. He had suffered from a variety of ailments.

Mr. Clinton said he was "saddened to learn about Jim McDougal's death today."

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The IHT on-line www.ihl.com

Wanted: Entrepreneurs to Lead Japan Out of a 7-Year Slump

By Sheryl WuDunn

New York Times Service

TOKYO — A Japanese executive was describing his company's efforts to spin off a smaller unit when he suddenly leaned forward and asked that his name not be used.

In a low voice, he said with a touch of embarrassment: "If this happens, we will have an image as an innovator."

Horror!

This desire to innovate while not being openly seen as doing so may explain why the Japanese have not quite embraced a concept that has built America and contributed to its vitality: entrepreneurship.

They do not even have a good word for it. They have a few expressions, like *kigyo ka*, or "one who starts a business," but somehow the terms do not quite have the same ringing spirit in a nation not known for a go-it-alone attitude.

So the Japanese have just imported

the word *an-torepurenah* whole, along with initiating rounds of discussions about its spirit.

As the Asian economic crisis continues, it has become painfully obvious here that traditional values are interfering with Japan's attempt to build the kind of entrepreneurial spirit that could lead it out of its seven-year slump. Japan fears that it will fall behind America and Europe, and perhaps even Asian countries such as South Korea, unless it can change the dynamic of its economy.

Although Japan may have the second-biggest economy in the world, its companies are vast, bureaucratic conglomerates at a time when entrepreneurial, information-age companies are dominant.

In short, they are too much like the sprawling Mitsui group of companies and not enough like Microsoft. Government officials and business executives

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Big Corporate Brother: It Knows More About You Than You Think

By Robert O'Harrow Jr.

Washington Post Service

CONWAY, Arkansas — Most Americans have probably never heard of Acxiom Corp., a giant information service tucked near the rolling Ozark foothills. But chances are that Acxiom knows quite a lot about them. Twenty-four hours a day, Acxiom electronically gathers and sorts information about 196 million Americans. Credit card transactions and magazine subscriptions. Telephone numbers and real estate records. Car registrations and fishing licenses. Consumer surveys and demographic details.

What Acxiom does is perfectly legal — assembling an array of facts from scattered sources. But the phenomenon known as "data warehousing" or "data mining" represents yet another example of how traditional American notions of personal privacy have become obsolete, outstripped by technology's ability to peer into personal lives.

In a flash, data warehouses can assemble electronic dossiers that give marketers, insurers and in some cases law enforcement a stunningly clear look into an American's needs, lifestyle and spending habits. And without aggressive action to preempt the companies, individuals have no control over facts that are gathered and disseminated about them.

The explosion of data warehousing has sharpened the ethical, legal

and political questions about an individual's right to privacy in an increasingly open society.

Access to minute details about prospective customers was once just a marketer's dream. Now, privacy advocates say the fulfillment of that dream represents an unprecedented intrusion into individual lives.

"The whole thing is scary," said Jim Sertle, former supervisor of the FBI's National Computer Crimes Squad and now a security consultant. "It's not the government you need to worry about. It's private industry."

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Newstand Prices	
Atlanta	10.00 FF Lebanon 11.3000
Athens	12.50 FF Morocco 16.00
Bombay	1.600 CFA Qatar 10.00 CFA
Brussels	2.500 FF Réunion 12.50 FF
Calcutta	1.000 CFA Saudi Arabia 10.00
Geneva	1.100 CFA Senegal 1.100 CFA
Hong Kong	2.800 CFA Spain 225 Ptas
India	1.250 CFA Tunisia 1.250 Din
London	1.250 JD U.A.E. 10.00 Dh
Moscow	700 Rub U.S. M. (Eur) 51.20



Crisis in Jakarta / 'We Understand Each Other Here'

Ethnic Chinese Try to Keep Out of Harm's Way

By Thomas Fuller
International Herald Tribune

JAKARTA — Amid the puddles and crumbling walls of Jakarta's morning market is the city's Chinatown, a labyrinth of shops, warehouses and narrow alleys navigated by stooped old women.

It is easy to pass through Jakarta's Chinatown without ever knowing you were there. There are no neon signs emblazoned with bold Chinese characters and no cafeteria-style noodle shops, the hallmark of Chinatowns around the world. Even Buddhist temples, hidden behind iron gates, emit only a subtle hint of their existence: a waft of incense filtering into the street.

The Chinatown in Jakarta is like none other in the world. Since it is stripped of cultural trappings, Chinese faces provide the clearest sign that you have arrived. Chinese books, newspapers — except for an official one — and Chinese-character signs were banned in Indonesia in 1966.

Far from being a government clampdown, the idea was proposed by the country's Chinese leaders. The move was made to encourage the integration of the Chinese community into mainstream Indonesian society, said Jusuf Wanandi, a leader in Indonesia's Chinese community and chairman of the country's largest research organization.

"We proposed that these integration measures be taken," he said. "No more Chinese schools and clubs."

Local government officials say that despite recent riots and looting of Chinese-owned shops in other parts of the country, they have not had any ethnic problems in the capital during the economic crisis.

"We understand each other here," said Salam Widjaja, a former trader who is a district chairman in Chinatown. "We have none of those worries."

But privately, several Chinese said they were afraid that, because the ethnic Chinese in Indonesia have a big share of the country's wealth, they will be turned into scapegoats if the crisis worsens.

Many Chinese have already made preparations to flee if tensions escalate. Pauls Vilips, an Australian businessman who helps arrange for ethnic Chinese to emigrate to Australia, said he advertised his services a few weeks ago in an Indonesian vernacular daily. "I had 200 responses a week," he said.

Leaders of the local Chinese community, meanwhile, are looking for ways to speed the participation of indigenous Indonesians into their business community so that future economic success is shared across ethnic lines. "So far we haven't succeeded," Mr. Wanandi said.

Mr. Salam said that 100 percent of the 1,000 shops in his district are owned by ethnic Chinese.

His street-level office is in the heart of the gar-



A Buddhist temple in Chinatown collected these bags of rice and other staples from local merchants, which it is distributing to people going hungry because of the economic crisis.

ment district. Two doors down is a shop that sells only zippers. Further down the street, merchants sell hangers, sewing machines, towels and T-shirts.

These days, almost all complain that their businesses are hurting. A merchant who sells plastic lashing for packing crates says he has never had such a bad year in his 20 years in business. Sales are down at least 50 percent, said the merchant, who gave his name as Kasim. The price of imported plastic has shot up 120 percent.

"We're just trying to survive," Mr. Kasim said.

Worse off are the thousands of porters and stock boys, almost all of them indigenous Indonesians, who work in the neighborhood and are paid on a day-to-day basis.

Before the crisis began last autumn, porters were paid an average of 7,000 to 10,000 rupiah a day, according to a local government official. At today's devalued exchange rate, that's about \$1. But in recent months workers' pay has dropped to as low as 3,000 rupiah, or 30 cents, a day. In Jakarta, that will buy two plates of rice at a low-end food stall.

Analysts say these salary cuts and the record level of inflation in Indonesia are a recipe for resentment or violence — especially when people see a shiny

Mercedes, BMW or Toyota parked in the garages of many Chinese shops.

Perhaps with this in mind, the Chinese have responded to the crisis with philanthropy. Last month, Mr. Salam organized a food drive for the families of porters in the neighborhood. He went door-to-door with other district officials to collect rice, cooking oil, instant noodle packages and other essentials. The food, worth a total of \$1,000, was handed out Feb. 28. A collection is under way for the next installment, to be distributed in mid-March.

A nearby Buddhist temple is also mobilizing to feed those pinched by the crisis. Several weeks ago, it enlisted the military to help hand out 25 tons of rice and 5,000 liters (1,300 gallons) of cooking oil. The temple plans to continue the program, gathering donations from neighborhood merchants.

Though many of the merchants have owned their shops in Chinatown for decades, few live there. Their cars, in fact, are one of the few signs of affluence in an area filled with potholed alleys.

Mr. Kasim lives in West Jakarta, and a son is studying in Australia. But there are no indications of that in his shop. Piles of clamps and rolls of plastic lashing are stacked waist high on a concrete floor. Outside, no sign indicates the name of his shop. Mr. Kasim says his customers know where to find him.

IMF's Speedy Response To Asia Irritates Africa

By Howard W. French
New York Times Service

ABIDJAN, Ivory Coast — There was a slightly forced quality to the smiles of officials from the International Monetary Fund and the Ivory Coast government when they met here in February to sign a major pact on restructuring this country's ailing economy.

Ivory Coast had just been granted \$2 billion in new loans. But to get there, the government had negotiated for nine months, finally agreeing to a stinging series of measures that gave the uncomfortable impression that economic policy would henceforth be made at the fund's headquarters in Washington.

Under the new "structural adjustment program," Ivory Coast must quickly complete a sell-off of state-owned companies — under which everything from water and electricity to telephone service has already been auctioned to foreign investors. The government must also freeze hiring and institute strict guidelines for promotion on merit.

And in perhaps the most politically painful measure, in a country that is the world's largest cocoa producer and seventh-largest exporter of coffee, the agreement stipulates that the government must get out of commodity marketing altogether, removing the hand of politicians from the most lucrative game in the land.

Across Asia, similarly sweeping steps have been imposed by the International Monetary Fund and its affiliate, the World Bank, in recent weeks, provoking demonstrations against these institutions in South Korea and Thailand, and riots against austerity measures in Indonesia.

But seen from Africa, where many countries like Ivory Coast have been following "adjustment" programs for two decades, the rush to help Asia's distressed economies with quick loan packages worth tens of billions of dollars looks more like a genuine rescue effort than what appears to many here to be a stingy and never-ending program of life-support for Africa.

The Ivory Coast finance minister, Niamien Ngoran, said, "We have observed the speedy reaction to Asia, and seen the huge sums of money they have been able to come up with almost instantaneously, often bending the rules pretty freely."

"When it comes to us, our negotiations can drag on for months while they split hairs and act very finicky," he

added. "One can easily get the impression of a double standard."

World Bank and IMF officials say the size and speed of their response to the crisis in Asian countries is justified by the importance of their economies to the global financial system. They also say that had more African countries embraced economic liberalization years ago when the first structural adjustment programs in Africa were begun, rather than resisting change, this continent would not find itself as marginalized as it is today.

"Africa has got to find a way to get more capital to flow here," said Shiro Katsu, the World Bank's representative in Ivory Coast. "Right now this continent represents a very small portion of world investment. If we had seen changes this sweeping 10 years ago, maybe that would be different now."

But critics of the World Bank and IMF say that even those African countries that have been praised in the past as star "pupils" of the international institutions' reform programs have proved poor performers over time, calling into question the validity of the institutions' approach to the continent.

Zimbabwe and Ghana, for example, widely cited in the 1980s and early 1990s as World Bank "success stories," are both in financial distress today. In Zimbabwe, gross domestic product is lower now than when its structural adjustment program began.

Kevin Watkins, a senior policy adviser at Oxfam International, the British relief advocacy group, said, "If you go by World Bank projections, sub-Saharan Africa will be back to the levels of per capita income that it had in the 1970s by 2005."

"This is a very poor record, and whether you argue that the problem is with implementation or approach, the fact is that the World Bank's policies in Africa have not worked."

In the past, critics of World Bank and IMF programs have said that their reliance on austerity measures like higher interest rates has proved devastating to African countries where governments, however inefficient, typically account for the bulk of economic activity.

Slashing government budgets in this context has often meant not just higher unemployment but also fewer child vaccination programs or schools.

Where international financial institutions could arguably make the biggest impact in Africa is also where they have, in contrast to their swift reaction to Asia's crisis, moved slowly: writing off Africa's huge debt.

TRAVEL UPDATE

Airport Workers' Strike Disrupts Dublin Flights

DUBLIN (AP) — Dublin Airport reopened Sunday but dozens of flights were canceled after airport workers again refused to cross picket lines set up by a handful of striking baggage handlers.

The shutdown began Saturday when workers for other airlines joined a strike by 39 baggage handlers from Ryanair, a low-cost Irish-owned airline.

Aer Rianta, the Irish Airports Authority, said Sunday that some of the 17 airlines using the airport were again operating flights. But the national carrier, Aer Lingus, said it had canceled all 80 flights on Sunday, affecting about 8,000 passengers, after its baggage handlers refused to work.

Baggage handlers for Ryanair have been striking or going slow periodically for seven weeks in a dispute over pay and working conditions.

Fog in Hong Kong Disturbs Air Travel

HONG KONG (Reuters) — Heavy fog led to the delay, cancellation or

diversion of about 106 flights to and from Hong Kong on Sunday, leaving 4,000 travelers stranded at the airport, the government said.

A government spokeswoman said that there were no plans to close Kai Tak Airport, however.

The Hong Kong Observatory said the fog was likely to thicken further as night approached.

Indian Airlines, the state-run carrier, deployed all-woman crews on two international flights Sunday to mark International Women's Day, the Press Trust of India said.

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Australia, Belize, British Virgin Islands, Gibraltar, Nepal, Russia, Ukraine.
WEDNESDAY: Lesotho, Lithuania.
THURSDAY: Burma, Israel, Liberia, Mauritius, Sri Lanka, Zambia.
FRIDAY: Bahrain, India, Israel.
SATURDAY: Andorra.
Sources: J.P. Morgan, Bloomberg.

WEATHER

Europe Today High Low Wind Tomorrow High Low Wind

Europe	Today	High	Low	Wind	Tomorrow	High	Low	Wind
Algeria	21/10	11/5	5	SE	21/10	12/5	5	SE
Amsterdam	10/7	10/7	5	SE	10/7	10/7	5	SE
Antwerp	10/7	10/7	5	SE	10/7	10/7	5	SE
Athens	15/58	13/56	10/51	SE	15/58	13/56	10/51	SE
Batavia	15/58	13/56	10/51	SE	15/58	13/56	10/51	SE
Bombay	10/7	10/7	5	SE	10/7	10/7	5	SE
Buenos Aires	10/7	10/7	5	SE	10/7	10/7	5	SE
Calcutta	10/7	10/7	5	SE	10/7	10/7	5	SE
Cairo	10/7	10/7	5	SE	10/7	10/7	5	SE
Chennai	10/7	10/7	5	SE	10/7	10/7	5	SE
Colombo	10/7	10/7	5	SE	10/7	10/7	5	SE
Copenhagen	10/7	10/7	5	SE	10/7	10/7	5	SE
Dakar	10/7	10/7	5	SE	10/7	10/7	5	SE
Dhaka	10/7	10/7	5	SE	10/7	10/7	5	SE
Dublin	10/7	10/7	5	SE	10/7	10/7	5	SE
Edinburgh	10/7	10/7	5	SE	10/7	10/7	5	SE
Geneva	10/7	10/7	5	SE	10/7	10/7	5	SE
Helsinki	10/7	10/7	5	SE	10/7	10/7	5	SE
London	10/7	10/7	5	SE	10/7	10/7	5	SE
Los Angeles	10/7	10/7	5	SE	10/7	10/7	5	SE
Madrid	10/7	10/7	5	SE	10/7	10/7	5	SE
Moscow	10/7	10/7	5	SE	10/7	10/7	5	SE
Mumbai	10/7	10/7	5	SE	10/7	10/7	5	SE
Nairobi	10/7	10/7	5	SE	10/7	10/7	5	SE
Paris	10/7	10/7	5	SE	10/7	10/7	5	SE
Prague	10/7	10/7	5	SE	10/7	10/7	5	SE
Rangoon	10/7	10/7	5	SE	10/7	10/7	5	SE
Rio de Janeiro	10/7	10/7	5	SE	10/7	10/7	5	SE
Sao Paulo	10/7	10/7	5	SE	10/7	10/7	5	SE
Shanghai	10/7	10/7	5	SE	10/7	10/7	5	SE
Singapore	10/7	10/7	5	SE	10/7	10/7	5	SE
Taipei	10/7	10/7	5	SE	10/7	10/7	5	SE
Tokyo	10/7	10/7	5	SE	10/7	10/7	5	SE
Washington	10/7	10/7	5	SE	10/7	10/7	5	SE

Forecast for Tuesday through Thursday, as provided by AccuWeather.

Asia	Today	High	Low	Wind	Tomorrow	High	Low	Wind
Algeria	21/10	11/5	5	SE	21/10	12/5	5	SE
Amsterdam	10/7	10/7	5	SE	10/7	10/7	5	SE
Antwerp	10/7	10/7	5	SE	10/7	10/7	5	SE
Athens	15/58	13/56	10/51	SE	15/58	13/56	10/51	SE
Batavia	15/58	13/56	10/51	SE	15/58	13/56	10/51	SE
Bombay	10/7	10/7	5	SE	10/7	10/7	5	SE
Buenos Aires	10/7	10/7	5	SE	10/7	10/7	5	SE
Calcutta	10/7	10/7	5	SE	10/7	10/7	5	SE
Cairo	10/7	10/7	5	SE	10/7	10/7	5	SE
Chennai	10/7	10/7	5	SE	10/7	10/7	5	SE
Colombo	10/7	10/7	5	SE	10/7	10/7	5	SE
Copenhagen	10/7	10/7	5	SE	10/7	10/7	5	SE
Dakar	10/7	10/7	5	SE	10/7	10/7	5	SE
Dhaka	10/7	10/7	5	SE	10/7	10/7	5	SE
Dublin	10/7	10/7	5	SE	10/7	10/7	5	SE
Edinburgh	10/7	10/7	5	SE	10/7	10/7	5	SE
Geneva	10/7	10/7	5	SE	10/7	10/7	5	SE
Helsinki	10/7	10/7	5	SE	10/7	10/7	5	SE
London	10/7	10/7	5	SE	10/7	10/7	5	SE
Los Angeles	10/7	10/7	5	SE	10/7	10/7	5	SE
Madrid	10/7	10/7	5	SE	10/7	10/7	5	SE
Moscow	10/7	10/7	5	SE	10/7	10/7	5	SE
Mumbai	10/7	10/7	5	SE	10/7	10/7	5	SE
Nairobi	10/7	10/7	5	SE	10/7	10/7	5	SE
Paris	10/7	10/7	5	SE	10/7	10/7	5	SE
Prague	10/7	10/7	5	SE	10/7	10/7	5	SE
Rangoon	10/7	10/7	5	SE	10/7	10/7	5	SE
Rio de Janeiro	10/7	10/7	5	SE	10/7	10/7	5	SE
Sao Paulo	10/7	10/7	5	SE	10/7	10/7	5	SE
Shanghai	10/7	10/7	5	SE	10/7	10/7	5	SE
Singapore	10/7	10/7	5	SE	10/7	10/7	5	SE
Taipei	10/7	10/7	5	SE	10/7	10/7	5	SE
Tokyo	10/7	10/7	5	SE	10/7	10/7	5	SE
Washington	10/7	10/7	5	SE	10/7	10/7	5	SE

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MANY HAPPY RETURNS.

THE AMERICAS

30 Years After My Lai, Hard Truths and Heroism

By David Montgomery
Washington Post Service

WASHINGTON — Thirty years ago, Hugh Thompson Jr. and Lawrence Colburn received medals for heroism under enemy fire at a hamlet in Vietnam called My Lai.

Over the weekend, the U.S. Army corrected an oversight — for there was no enemy that March morning in My Lai.

During a ceremony at the Vietnam Veterans Memorial on Saturday, the two comrades were awarded the army's highest medal for bravery not involving conflict with an enemy.

The medals were accompanied by brutally frank citations that talked about what really happened at My Lai on March 16, 1968 — about "the unlawful massacre of non-combatants by American forces," and about "fleeing Vietnamese civilians and pursuing American ground troops" who were bent on "murder."

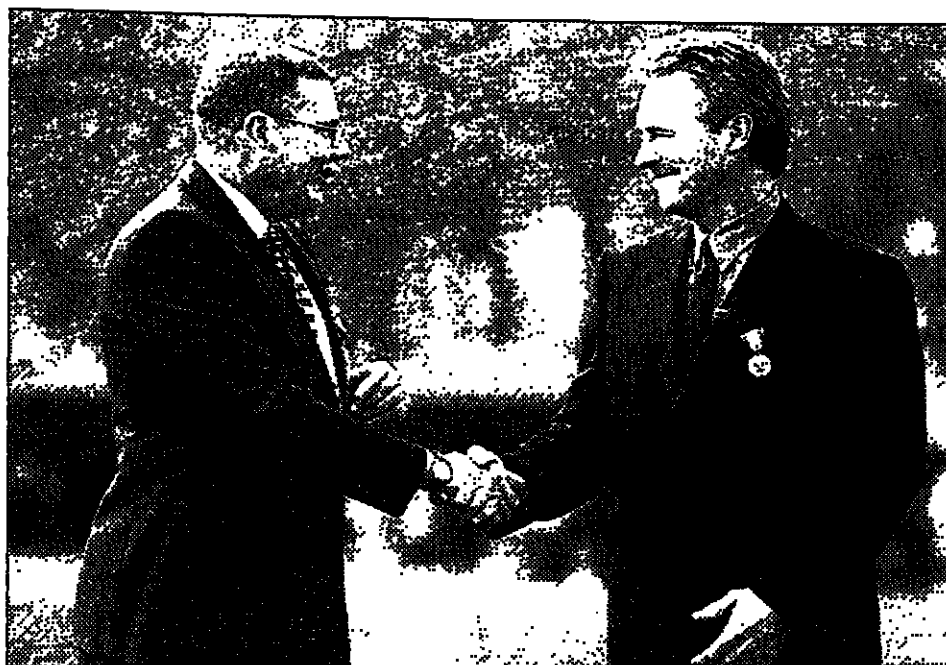
Several hundred civilians — mostly women, children, old men — were killed by Lieutenant William Calley Jr. and his troops. Eventually the atrocity was exposed. Lieutenant Calley was convicted of murder, and the army began a self-examination to determine how American soldiers could go so wrong.

The story that the army never formally acknowledged until Saturday is how Mr. Thompson, Mr. Colburn and a third man, Glenn Andreotta, stopped the My Lai massacre before more people died.

"We will finally recognize these men for their heroic actions," said Major General Michael Ackerman, who pinned the Soldier's Medal on the lapels of Mr. Thompson and Mr. Colburn, who are both in their 50s.

Mr. Andreotta was killed in action about three weeks after the massacre. His family will receive his posthumous medal later.

General Ackerman called My Lai "one of the most shameful chapters in the army's history," but the three medal winners rejected



Hugh Thompson Jr., left, and Lawrence Colburn after being decorated.

the example set by their fellow soldiers and "set the standard for all soldiers to follow."

On that morning in Quang Ngai Province, Mr. Thompson was a 24-year-old pilot of a combat helicopter. Mr. Colburn was his gunner. Mr. Andreotta was his crew chief.

Their mission was to draw enemy fire in support of troops maneuvering on the ground. The chopper skimmed the treetops to My Lai, and the crew came upon a scene whose horrific dimensions were so beyond their experience that at first they could not make sense of it.

There was shooting — but there was no enemy. There were piles of bodies in a ditch — but they were not soldiers.

The helicopter swung away, trying to smoke out Viet Cong, finding none, and kept circling back to the village.

"Every time we made a pass through the area, there were more bodies," Mr. Thompson said, although they did not see most of the killing.

"I saw one incident where an American just walked up and blew this woman away," Mr. Thompson said.

Most of the bodies were piled in a ditch. Mr. Andreotta was looking that way and Mr. Thompson remembers him crying: "My God, they're firing into the ditch."

That is when the three soldiers in the helicopter understood what was happening.

Mr. Thompson spotted some women and children cowering in a bunker. He put the helicopter down between them and some advancing American soldiers. He got out and talked to a lieutenant whose name he does not know.

"Can you get [the civilians] out?" Mr. Thompson recalls saying.

"With a hand grenade," said the lieutenant.

"I said, 'Hold your people here, I think we can do better than that.'"

Mr. Thompson called in another helicopter to evacuate the 10 civilians. It took two trips. Mr. Thompson, Mr. Colburn and Mr. Andreotta provided cover, in case their fellow Americans started shooting.

Then Mr. Thompson and his crew lifted off and set down again near the ditch with the bodies, looking for survivors. Mr. Andreotta waded among the bodies and came up with a little boy, wounded but still alive. The crew ferried him to a nearby hospital, and he survived.

Mr. Thompson reported what they saw to his commanding officer, who called off all action in the sector, effectively ending the killing, General Ackerman said.

The full story of My Lai did not come out for more than a year. Army officers initially tried to cover it up. Journalists have interviewed Mr. Thompson and told his story over the years, but in army records, he was still recognized for saving the civilians from the Viet Cong.

In the late 1980s, David Egan, an architecture professor at Clemson University in South Carolina saw a documentary about My Lai that described the helicopter crew's true actions. He started a letter-writing campaign to federal officials, but the campaign made little headway for a long time.

Today, the army takes the lessons of My Lai seriously. Every soldier who becomes an officer now must study My Lai and watch a videotape that includes commentary from Mr. Thompson.

Standoff Over a Gay Nominee

SAN FRANCISCO — When the State Department announced last year that James Hormel, who is gay, had been nominated to be an ambassador, there was jubilation here, and not just among the city's homosexuals.

George Shultz, who returned to San Francisco after serving as President Ronald Reagan's secretary of state, said Mr. Hormel would be a "wonderful representative of our country" to Luxembourg.

But the nomination of the 65-year-old civic leader and heir to the Hormel meat-processing fortune appears hopelessly stalled in the Senate, where a group of conservative Republicans has placed a hold on his nomination.

President Bill Clinton has praised Mr. Hormel and urged senators to put aside any prejudice. "I have just one question," the president said. "Will he or will he not be a good ambassador?" (NYT)

Lewinsky Battles Isolation

WASHINGTON — In a two-bedroom apartment, Monica Lewinsky is struggling to adjust to what her friends describe as an increasingly cloistered and sometimes suffocating daily existence.

Ms. Lewinsky, the former White House intern at the center of the independent counsel's investigation of President Bill Clinton, is passing most of her time in her mother's duplex reading books and magazines and watching television. The curtains in the ground-level apartment in the Watergate complex are always drawn. "They are really isolated," said R. Peter Straus, who is engaged to Ms. Lewinsky's mother. "It is very tough." (NYT)

Quote/Unquote

Nate Coulter, Democratic candidate for the U.S. Senate from Arkansas, calling for strict limits on the powers of the independent counsel, Kenneth Starr, who is investigating the Whitewater land deal and its offshoots: "All these people leading the investigation are from elsewhere, and they've been led to believe that this is some sort of rogue state run by rogue people and that it was O.K. to come in here and treat everybody like criminals." (AP)

Republican Leaders Split: Gingrich Defends Starr, Lott Urges He 'Show His Cards'

By Alison Mitchell
New York Times Service

WASHINGTON — The House speaker, Newt Gingrich, staunchly defended Kenneth Starr over the weekend even as the Senate majority leader, Trent Lott, said it was time for the Whitewater independent counsel to wrap up his investigation and "show his cards."

The divergence between Mr. Gingrich and Mr. Lott illustrated the growing turmoil in the Republican Party over how to grapple with an investigation into President Bill Clinton's relations with a White House intern that has left the president's popularity at unrivaled heights and backfired on Mr. Starr in the

court of public opinion.

In an appearance on the CNN program "Evans & Novak" broadcast Saturday, Mr. Lott defended Mr. Starr against what he described as "the typical White House operation of attacking anybody that dares question them."

But Mr. Lott also said the time had come for Mr. Starr to finish his investigation.

"I think that he has had enough time, and it's time to show his cards," Mr. Lott said. "I think he needs to wrap it up, show us what he's got, indict, convict people. Or if he doesn't, close it out."

In contrast, Mr. Gingrich, speaking at a breakfast with constituents in his home district, in the Atlanta suburbs, urged

people to be patient with the investigation.

"I think it is disgraceful that official representatives of the executive branch are undermining a legitimate, legal investigation of the Department of Justice," he said.

Senator Thad Cochran of Mississippi, another member of the Senate Republican leadership, also urged patience.

"I'm not ready to preach to Judge Starr one way or another," Mr. Cochran said. "At this point we have to wait and see."

He also said he had long had problems with the independent counsel statute law.

Republicans have increasingly fractured over how to deal with an inves-

tigation of a popular Democratic president that could end up being referred to the House for an impeachment inquiry. Social conservatives in the Republican Party and possible presidential candidates have been harshly critical of Mr. Clinton, accusing him of failing to show moral leadership.

Other Republicans have started to criticize Mr. Starr for such tactics as calling Sidney Blumenthal, a White House public relations official, before a grand jury because prosecutors suspected him of orchestrating a campaign to discredit Mr. Starr's office.

Senator Arlen Specter, Republican of Pennsylvania, a former district attorney in Philadelphia, has said he thought Mr.

Starr "went too far" in using a grand jury to counter criticism of him and his deputies.

The House Republican leadership has generally been trying to sidestep any comment on Mr. Clinton's troubles.

But eventually Republicans may be required to take a stand. Under the independent counsel law, if Mr. Starr finds "substantial and credible" information about a possible impeachable offense on the part of the president, the prosecutor is required to forward the matter to the House of Representatives.

Several Republicans said they feared that an impeachment inquiry could backfire on them in an election year unless Mr. Starr provided irrefutable evidence

that Mr. Clinton perjured himself and encouraged others to lie under oath.

Mr. Lott suggested that Congress could take action short of impeachment and censure Mr. Clinton.

"The House could say, well, it's not serious enough for impeachment, but this is clearly conduct that's on the margin and we don't approve of it," Mr. Lott said, "and the House Judiciary Committee would report out a censure resolution."

But a senior House Republican official said such discussion was premature, since no one knew what Mr. Starr had found and what action he would take.

"That is way down the line, assuming we even get down the line," the official said.

AMERICAN TOPICS

Cowboy Church Packs 'Em In

For a bunch of taciturn Midwestern farmers, they appeared to be having an awfully good time — especially considering that they were in church.

It was Sunday night at the First Christian Church on Market Street in Farmer City, Illinois, a town of 2,000. And Sunday night, everyone in the area knows, means Cowboy Church.

Formalities are few. Cowboy hats, boots and jeans are standard wear. There are mandolins, banjos and the occasional harmonica. Les Britton, 88, generally plays the fiddle. And there is, reports The Boston Globe, a certain conservancy of the spoken word. In

other words, not much preaching.

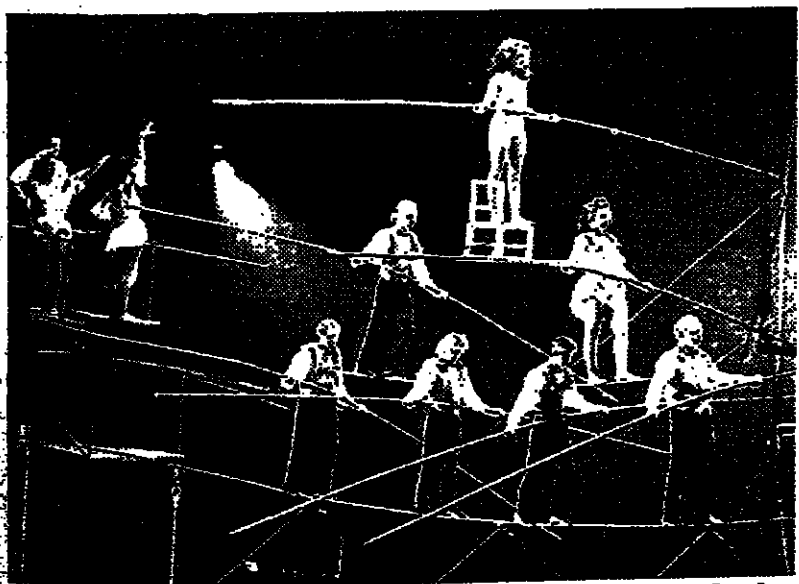
Pastor Bud McMasters cooked up the idea about a year ago as a way to boost attendance, then sometimes as small as 10 on some Sundays. Now the pews are filled with up to 200 people, some from as far away as Chicago, 160 miles distant.

Joe Walsh, 57, operator of the local grain elevator, said he had given up going to church years ago.

"There are all kinds of people who have been away 20 to 40 years who have come back because of the Cowboy Church," he said.

Mr. McMasters — call him Pastor Bud — acknowledges that perhaps not everyone is coming for the "right reasons," but getting them through the door gives him a chance to reach them.

"A lot of people have come to me and said they had given up, that they were mad at the church, and that Cowboy Church brought them back," he said. "It has changed a lot of people."



HIGH TENSION — The Flying Wallendas performing the "Great Pyramid" act without a net. It was the first time the tightrope-walking family had attempted the stunt since 1977, and the first in Detroit since 1962, when two troupe members were killed in the same arena.

Short Takes

After the flooding has abated and Californians have ceased worrying about their cliff-side homes; El Niño will leave a more lasting heritage, scientists say: termites. The unusually warm and wet winter has provided the little timber eaters exactly the environment they love. "In Arizona, California and Florida, we have never seen termite activity like this so early," said Scott Nolen, president of an exterminating company. "Usually, it's too cold for them to swarm." States that are usually only marginally affected, like South Dakota, are sure to see increased termite damage, the experts say, and places like Georgia or the Carolinas, where the bugs usually die in the winter, may have year-round termites. The outlook appears grim, considering that the winged insects already are estimated to do more damage than fires, floods and tornadoes combined.

Attacks on government and private computer systems have risen dramatically, according to a new survey, with more than 60 percent of businesses, universities and government offices reporting security breaches during 1997 — up 22 percent from the year before. The survey by the Computer Security Institute, conducted in cooperation with the FBI, found that disgruntled employees were the most likely source of computer attacks.

Motorists in West Virginia who run down animals can now legally take them home for dinner. A new law allows drivers to take home any wildlife, except protected birds, spotted fawn or bear cubs. Backers of the bill, which has drawn laughter and scorn from some neighboring states, say that if people eat their roadkill, the state will save money now spent on removing dead animals. Those carting home carcasses are required to notify police or conservation officers within 12 hours.

Brian Knowlton

Away From Politics

The Supreme Court's ruling last week that federal discrimination law covers sexual harassment between people of the same sex was only the start of a wide-ranging examination of sexual harassment law under way at the court. Before the current term ends in early summer, the justices will decide three more sexual harassment cases — a very high number for a term that will produce only about 90 decisions across the entire range of the court's jurisdiction. (NYT)

It's slipped from 1992 to 1994 to 1995 to 1996 to 1997 to 1998, and now it looks like NASA's space station will be delayed again. Not only that, it will cost more than promised — at least \$3.6 billion more, a 21 percent increase. Now no one is willing to guess when orbital construction will begin and end. (AP)

Criticism of Julian Bond, elected board chairman of the National Association for the Advancement of Colored People two weeks ago, for his renomination of a convicted embezzler to a crucial position in the organization suggests that the troubled civil rights group is still struggling with infighting. (NYT)

A Connecticut state lottery accountant who gunned down four people at the headquarters before killing himself complained to newspapers months before that lottery players were being cheated. (AP)

Washington has made such a dramatic financial turnaround that District of Columbia officials are considering a tax cut and projecting hundreds of millions of dollars of budget surpluses for the next five years. (WFP)

Shortages of construction workers, particularly roofers, could slow the rebuilding and repair of the 1,600 homes and apartments hit in February by a series of tornadoes in central Florida. (NYT)

An armed 61-year-old veteran crashed his car through a gate at a Veterans' Administration office in Waco, Texas, and began a standoff with authorities, forcing the evacuation of hundreds of residents. (AP)

James Cameron won the Directors Guild of America award for best director for "Titanic," making the film a heavy favorite for the Academy Awards. Only four times since 1949 has the winner in the best feature-film director category, voted by the union of Hollywood film makers, not received an Oscar. (AP)

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Indians Are Wondering If Anyone Can Govern

By John F. Burns
New York Times Service

NEW DELHI — As India's election results flowed in last week, a television advertisement captured a widespread apprehension that this huge, impoverished nation may be headed for another period of revolving-door governments that lack the political clout to tackle the country's problems.

"The Vajpayee government," a voice intoned, "lasted for 13 days. The Deve Gowda government lasted for almost 11 months. The Gujral government lasted for a little over 10 months."

Having listed the three governments India has had since the last election in 1996, the voice, brightening, added: "Jointly, none of them lasted as long as Amazer — Amazer, the long-playing radial from Apollo tires."

Finding something to chuckle at in politics has become harder for many Indians as four successive elections have failed to produce a majority for any party.

In the new Parliament there will be at least 38 parties, none with anything close to a majority. The largest, the Hindu nationalist Bharatiya Janata Party, will have 177 seats, 95 short of the 272 seats needed for a majority in the Parliament, which has 543 elected members.

The frustration found loud expression as results of the latest election became known, with many Indians saying they wondered when, if ever, the country would have a strong government again.

"It is a crying shame that 50 years after independence, 350 million of our people live in poverty," said Deepak Nayyar, an economics professor at Jawaharlal Nehru University in New

Delhi. "That's more than all the people who lived in British India in 1947. Year after year, election after election, political parties have promised the moon, and absolutely nothing has happened."

Maneuvering by Bharatiya Janata for enough additional seats to form a government is likely to continue until at least Thursday, when the Election Commission, which is still awaiting results for nine seats, is expected to make its formal announcement of the outcome.

Then, President K. R. Narayanan is expected to ask the Bharatiya Janata parliamentary leader, Atal Bihari Vajpayee, to become prime minister. As expected, the party formally named Mr. Vajpayee its candidate for prime minister Saturday.

But efforts to outflank Bharatiya Janata by the election's second- and third-place finishers, the Congress (I) Party and the United Front, mean that a last-minute reversal cannot be ruled out.

In the election, Bharatiya Janata sought to offset misgivings about its Hindu nationalist philosophy, with its undercurrent of hostility toward India's 120 million Muslims, by presenting itself as the only party able to bring "stability" to the country, because it was the only one likely to approach a parliamentary majority.

In fact, it managed to win only 17 seats more than in 1996, when it finished as the largest single party in Parliament for the first time.

Still, Bharatiya Janata came within striking distance of a majority by making deft decisions in its choice of election allies among regional parties. These parties added 75 seats, bringing the total for the alliance led by Bharatiya Janata to 252 seats, 20 short of a majority, according to the latest count Sunday.



Police removing a Congress (I) supporter from a hall in Srinagar where ballots were being counted Sunday. The tally was delayed by clashes.

Bharatiya Janata's closest challenger, the Congress Party, won 140 seats, and added 26 more through alliances with regional parties, according to tallies Sunday.

Now a second round in the contest for power has opened. In a game of baffling arithmetic complexity, leaders of Bharatiya Janata and Congress, along with the United Front, an alliance of 13 regional and leftist parties that won 95 seats, have been maneuvering among five other parties that won seats.

With almost every hour bringing reports of a new alliance made or an old alliance broken, the odds have shifted back and forth, but most politicians say they believe Bharatiya Janata will emerge

the winner. Although its combined seat total is lower than that of the Congress Party and the United Front, the Congress Party's efforts to build a majority have been confounded by dithering.

Among other things, the Congress Party has divided over who would become prime minister, and parties within the United Front have wrangled over whether they should stay with the front, join Bharatiya Janata or remain neutral.

Some Indians have hailed the inconclusive result as a reflection of their country's diversity and of the political flexibility that democracy affords. But others fear that governments that have to rely on a galaxy of small parties to sustain them, many of which have little in common with one another or with the party leading the government, will be incapable of effective action against the country's enduring problems of poverty, illiteracy and disease.

The election results showed that voters across the country sought to exorcise their sense of blighted hope by punishing incumbents. More than half the members of Parliament who ran for re-election were defeated.

The disillusionment showed up, too, in the way voters turned against governing political parties in their home states. In 10 states accounting for more than 400 million people, state governments that won strong victories in recent elections found voters moving against them in landslide proportions. Only four states, Delhi, Punjab, Uttar Pradesh and West Bengal, produced results that favored the state governments.

U.S. Checking North Korean Clash Reports

By Kevin Sullivan
Washington Post Service

TOKYO — American and South Korean officials started the weekend scrambling to investigate reports of an unusual clash among North Korean troops in the capital, Pyongyang.

Officials say there is too little evidence from the secretive nation to determine what caused the clash or whether it may have been part of a coup attempt against the North's leader, Kim Jong Il.

Officials in Seoul said the fighting on Thursday, among an undetermined number of troops, could have been part of military training exercises or some other routine event.

But reports that apparently originated with foreign residents of Pyongyang were disturbing enough that Stephen Bosworth, U.S. ambassador to South Korea, was called back to the embassy late Friday night.

American and South Korean intelligence officials worked through the night to determine what had happened in the North's capital.

"There was something, but whatever it was seems to be over and there are no signs that indicate any change in leadership," an official in Seoul said. "A lot of people put a lot of time into trying to figure out what this was, but everyone's pretty calm now."

Unsubstantiated coup rumors have periodically surfaced for years in North Korea, a closed and isolated nation run for nearly a half-century by Kim Il Sung until his death in 1994, and since then by his son, Kim Jong Il.

North Korea has one of the world's largest military forces, and the power of its military leaders is believed to be considerable.

Although most observers say Kim Jong Il has worked hard to stay in control of the military, few would be shocked by a coup attempt originating within the military ranks.

Curfew Reported in Capital

South Korean newspapers, quoting diplomats in Beijing, reported Saturday that a night curfew had been slapped on Pyongyang after policemen and "military forces" exchanged gunfire, Reuters reported.

The daily Dong-A Ilbo said the gunfight occurred after policemen attacked the military. It did not give any details.

Dong-A Ilbo and another newspaper, Joong-A Ilbo, said a night curfew was immediately slapped on the city and had been in effect ever since.

BRIEFLY

Hong Kong Woos Europe's Investors

HONG KONG — The Hong Kong leader, Tung Chee-hwa, flew to Europe on Sunday to reassure leaders and investors that it was business as usual eight months after the territory reverted to Chinese rule.

During his weeklong trip, Mr. Tung will meet politicians and business leaders in Germany and France, including Chancellor Helmut Kohl and President Jacques Chirac.

It is the latest trip taken by the China-appointed leader to promote the territory after Beijing took over from the British last July.

Mr. Tung has been to the United States, Canada, Britain and to Asian countries to assure their communities that Hong Kong is maintaining "business as usual" since the handover. (Reuters)

Power Cut Lowers Auckland's Crime

AUCKLAND, New Zealand — Even criminals have deserted the darkened streets of downtown Auckland, where two weeks of power blackouts have made elevators risky, spoiled food and frustrated residents.

"It's been almost a crime-free zone," Inspector John Mitchell said Saturday. "The normal level of muggings, violence, fights, burglary and robbery have just not happened."

Auckland residents took to prayer Sunday. "We pray for the people in the central business district of Auckland who are afflicted by the power crisis," parishioners chanted at St. Patrick's Cathedral, on the edge of the 120-block zone that has been short of electricity since Feb. 20. (AP)

Backing for Queen

CANBERRA — Australia's conservative government will ignore the push for Australia to become a republic until a vote due in 1999, a minister said Sunday.

Special Minister of State Nick Minchin also said the Labour opposition and the republican movement faced a tough battle to win the vote to sever 210-year-old ties with Britain, the country's former colonial master. (Reuters)

Firm Admits Link to Organ Sales of Slain Chinese

By Edmund L. Andrews
New York Times Service

OBERURSEL, Germany — A German company has announced that it is abandoning its half-interest in a kidney dialysis center in Guangzhou, China, admitting that Chinese military officials had probably made it an unintentional accomplice in the selling of organs from executed prisoners to wealthy foreigners.

Fresenius Medical Care AG, based in this suburb of Frankfurt, said its decision, announced Thursday, was prompted by a report by ABC News last fall.

Fresenius, which acquired its stake in the center from W. R. Grace & Co. in late 1996, said it had conducted its own investigation and discovered that foreign patients were receiving dialysis treatment at the center and may well have been "receiving kidney organs harvested from executed Chinese criminals."

The announcement was made less than two weeks after FBI agents arrested two Chinese government officials in New York and charged them with trying to market human organs in the United States that came from executed political prisoners.

The issue for Fresenius, and perhaps also W. R. Grace, stems from a kidney

dialysis center at a giant military hospital complex in Guangzhou, a short ride by water from Hong Kong.

National Medical Care, a subsidiary of W. R. Grace, started the center in a joint venture with the Chinese hospital complex in 1994, and Fresenius bought the Grace subsidiary 18 months ago.

The dialysis center was not directly involved with organ transplants. But the military complex operates a separate hospital for organ transplants on the same campus, and ABC News reported that the dialysis center served kidney patients while they waited for transplanted organs that were removed from prisoners as soon as they were executed.

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EUROPE

German Greens Rebel Over Bosnia

REUTERS
MAGDEBURG, Germany — Germany's ecologist Greens acknowledged Sunday that a congress designed to show their readiness for government had been marred by a clash between the party elite and the grass roots over foreign policy.

Delegates shocked the leadership late Saturday by rejecting, by one vote, a motion that would have allowed the traditionally pacifist party to support German troops' taking part in the new NATO-led peacekeeping mission in Bosnia.

With both of Germany's main parties in Parliament supporting the extension past June of the NATO Stabilization Force, the Greens' support is not critical for German participation in the mission.

But Greens board members and deputies sought approval of the motion because they believed that opposition to the Bosnia mission could hinder the party's entry into a coalition government after general elections in September.

"This congress has damaged our chances," the party co-leader Gunda Roestel said. "You can't win elec-



Joschka Fischer, left, Greens' parliamentary leader, joking with a delegate whose green and red hair symbolized a Greens-Social Democratic coalition.

tions on foreign policy, but you can lose them."

A coalition of the Greens and the center-left Social Democrats would, according to recent opinion polls, win enough votes to defeat Chancellor Helmut Kohl's governing alliance.

Mr. Kohl's government jumped on the defeat for the Greens' leadership as the first piece of good news coming their way since the Christian Democratic Union was hammered by the Social Democratic Party on March 1 in a state election in Lower Saxony.

"The rejection of a new mission for the people of Bosnia shows the Greens for the irresponsible, foreign policy adventurers they really are," Defense Minister Volker Rucht said.

Under a compromise worked out before the congress, the motion would have allowed Greens deputies to back an extension of the NATO force's mandate as "a peace-maintaining measure."

In return, there were to be no further challenges to the party's pacifist course. But the congress rejected the

compromise by a vote of 275 to 274.

"The decision has been made," said the party's leader in Parliament, Joschka Fischer, a moderate who has for years supported intervention in Bosnia. "You can't keep on voting till you get the result you want."

The congress was intended to demonstrate that the party, which has the support of about 10 percent of voters in opinion polls, had overcome internal battles of the past.

In addition to the dispute over Bosnia, the party congress also set off a dispute with the Social Democratic Party and its newly named candidate for chancellor, Gerhard Schröder.

Earlier Saturday, the Greens delegates approved a motion making a package of "ecology taxes," a prerequisite for their support of any coalition government. One of the tax measures would nearly triple the price of gasoline over 10 years.

The moderate, pro-business Mr. Schröder quickly attacked the plan. "Driving a car is not something just for the privileged," he said at a state election rally in Magdeburg. "I hope the Greens think again."

Publisher Apologizes To Patten Over Book
Ex-Hong Kong Governor Threatened Suit

New York Times Service

LONDON — After a week of bad publicity over its abrupt decision to cancel a book by Chris Patten, Hong Kong's last British governor, HarperCollins has taken the highly unusual step of issuing an apology to Mr. Patten and agreed to pay him an unspecified amount of money.

In a statement issued by lawyers for Mr. Patten and for News Corp., HarperCollins's parent company, the publisher declared that it had "unreservedly apologized for and withdrawn any suggestion that Chris Patten's book, 'East and West,' was rejected for not being up to proper standards or being too 'boring.'"

The company, the statement continued, accepted that "these allegations are untrue and ought never to have been made."

The apology Friday represents an unusually public embarrassment for Rupert Murdoch, chairman of News Corp., who ordered that the book be canceled because of its highly critical stance toward China, a country in which Mr. Murdoch has considerable business interests and financial ambitions.

Mr. Patten, who had already turned in half of the manuscript, subsequently sold the book to another publisher, Macmillan, for the same amount that HarperCollins had paid — about \$200,000 — and threatened to bring a lawsuit for breach of contract.

Friday's settlement, said by publish-

ing executives to have involved a payment to Mr. Patten "in the tens of thousands of pounds," was reached as a way to save News Corp. from the expense and further embarrassment of a prolonged legal battle.

Last Wednesday, Mr. Murdoch blamed HarperCollins executives for having "screwed it up." Their decision to drop publication left him "in a completely inexcusable position," he said in an interview published in The Times of London. The newspaper, like HarperCollins, is part of Mr. Murdoch's News Corp.

Mr. Murdoch faulted his "subordinates for inventing 'nonsense' reasons why they were reversing course on publishing the book when, he said, he had been clear from the outset that he did not want HarperCollins involved.

He said he thought the only damage to the firm was "in a PR sense because our people cocked it up at the end."

For his part, Mr. Patten had accused the publishing magnate of adopting double standards in the affair. He told The Sunday Telegraph of London from his home in France: "I don't see how you can be in favor of free speech in one part of the world and less keen on it in another." He was alluding to the campaign by Murdoch-owned newspapers in Britain against any tightening of the privacy laws there.

Mr. Patten said it had never occurred to him "that Mr. Murdoch's business links with China could be a factor in this."

BRIEFLY

French Panel Head Faces Allegations

PARIS — Former Foreign Minister Roland Dumas, the head of France's Constitutional Council, has been ordered to appear before two investigating judges March 18 over a scandal that has rocked some of the country's most powerful interests, the newspaper Le Monde reported Sunday.

Although the document simply said he was going to be "notified of the allegations against him," Le Monde said it implied Mr. Dumas was to be charged.

The charges, it said, would very likely have to do with receiving or helping to obtain fraudulently acquired company property. The allegations stem from the \$2.5 billion sale of six French frigates to Taiwan in 1991, when Mr. Dumas was foreign minister. (AFP)

Pope Voices Appeal For Women's Rights

VATICAN CITY — Pope John Paul II marked International Women's Day on Sunday with a call to value women for more than their looks, and spoke out for those whose rights were trampled because of their gender.

In his weekly Angelus address to pilgrims in St. Peter's Square, the Pope said women in many parts of the world were still hindered from playing a full part in social, political and economic life.

"How many women have been and still are valued more for their physical appearance than for their personal qualities, their professional competence, the fruits of their intelligence, the richness of their sensibility" and "the very dignity of their being," he said. (Reuters)

Turkish Police Stop Pro-Kurdish Rally

ISTANBUL — Police used tear gas to break up a pro-Kurdish demonstration here Sunday, sending dozens of people fleeing in panic. At least 24 police officers and some demonstrators were injured.

The demonstration of about 1,500 people was organized by the leftist Labor Party in central Taksim Square in observance of International Women's Day. (AP)

An Unchastened Chubais Lashes Out at Russia's Financial Goliaths

By David Hoffman
Washington Post Service

MOSCOW — Two months ago, Anatoli Chubais, architect of Russia's economic reforms and a first deputy prime minister, was on the skids.

He was embroiled in a controversy over a \$90,000 book honorarium and stripped of his post as finance minister; his coterie of aides was fired, and he was under a barrage of attacks in the news media owned by Russia's ruling financial oligarchy.

Last week, Mr. Chubais struck back. In a series of revealing newspaper interviews, he offered unrepentant, pungent criticism of the leading bankers and industrialists with whom he has been at odds since last summer. And he warned that unless Russia freed itself from their

grip, the country could implode like the Asian economies did last fall.

"We will have to drag ourselves away" from the businessmen "literally by the hair," he told the newspaper Kommersant.

Mr. Chubais, 42, chief of Russia's post-Soviet privatization program, who has held top posts during six years of President Boris Yeltsin's leadership, is usually taciturn. But in an extraordinary interview published Saturday in the newspaper Nezavisimaya Gazeta, he attacked the paper and its journalists. The paper agreed in advance to print his remarks in full.

The newspaper is widely perceived as a mouthpiece for the financier-industrialist Boris Berezovsky, who saved it from bankruptcy and is believed to write under a pseudonym. Mr. Berezovsky,

who argues that the Russian government should head the major capitalists, has led a campaign against Mr. Chubais since a controversial telephone company privatization sale last summer, in which the group with which Mr. Berezovsky was associated lost the deal.

"Lies, all lies," Mr. Chubais said of what is written about him in the paper. "It's a sold-out newspaper, sold-out journalists and sold-out chief editor."

Mr. Chubais added that his friends could not hold the paper "without feeling disgust, without feeling dirt and squeamishness."

He ridiculed headlines about him in recent months, charged that the newspaper had published phony circulation figures and predicted Mr. Berezovsky's business empire would fall, taking the journalists with it.

"It's going to be too bad for you," Mr. Chubais said. "It's going to be shameful for you. You will feel shame to look into the eyes of your colleagues. You will feel shame to take interviews in the future. You will not be treated as human beings."

Mr. Chubais and the other first deputy prime minister, Boris Nemtsov, have championed what they call "people's capitalism" and contrasted it with the rule of the bankers and industrialists who backed Mr. Yeltsin's 1996 re-election campaign. The bankers, who were close to Mr. Chubais then, have demonstrated enormous clout over the last two years in dividing up former state properties among themselves.

Mr. Chubais admitted in the Kommersant interview that he had been mistaken to allow some of the financiers to

"cut off" their competitors in the most lucrative auctions of state properties, known as the "loans-for-shares" scheme.

But Mr. Chubais said he had always believed that "in Russia there will never be any real power for a long time that will be controlled by big business."

"I have always thought in Russia such a structure will not live for long," he told Nezavisimaya Gazeta.

The newspaper's editor, Vitali Tretyakov, replied to Mr. Chubais in a separate article, saying the published circulation — 47,780 — was true. Mr. Tretyakov did not deny that the paper reflects Mr. Berezovsky's views, but he recalled that it had also published material leaked by Mr. Chubais to hurt the Communists during the 1996 election campaign.

Chernomyrdin: Stabilizer? Or Just Dull?

By Michael R. Gordon
New York Times Service

MOSCOW — When Russia's prime minister summed up his accomplishments for the past five years, he was a little weak on what former President George Bush liked to call the vision thing.

"If one considers what could have been done, and then what we did do over this long time, one can conclude that something was done," Viktor Chernomyrdin said.

This week the steady but uninspiring Mr. Chernomyrdin is to meet in Washington with Vice President Al Gore to discuss everything from foreign investment to arms control. But will Mr. Gore be meeting Russia's future president, as many U.S. policy-makers hope, or simply a gray and ineffectual political survivor?

From Mikhail Gorbachev to Boris Yeltsin, the United States has a history of pinning its hopes on Russian leaders even after their authority has begun to wane.

Mr. Chernomyrdin's power is growing. But Russia's second-most important official looks very different through the prism of Washington politics than he does in Moscow. The Clinton administration sees Mr. Chernomyrdin as a stabilizing figure to whom Washington can turn to smooth over the rough patches in the U.S.-Russian relationship. He may not always deliver the answers Washington wants, but he is always there to take the call.

He has been a steady Eddie, a senior Clinton administration official said. "He has not been an outspoken proponent of reform but a lot of reform has moved forward under his authority. He has learned and grown a great deal."

But where Americans see stability, Russian reformers see stagnation. In Moscow, Mr. Chernomyrdin is viewed as a "C-plus" student whose principal talent is his ability to get along with seemingly everyone while avoiding tough decisions.

The Communists like him because he is amenable to compromise, even if it means agreeing to a budget that vastly exceeds any credible projection of revenue. Mr. Yeltsin likes him because he has demonstrated his loyalty

and is not a political threat. Russia's bankers and energy barons have embraced him as their best hope of retaining their inside connections after Mr. Yeltsin leaves the scene.

"Chernomyrdin has been practically selected by the oligarchy as a successor to Yeltsin," said Andrei Piontkovsky, a Russian political analyst. "They choose him because he is ready to ensure the status quo, the same incestuous relationship between power and money."

Russia's second-most important official has a talent to get along with seemingly everyone while avoiding tough decisions.

If Mr. Chernomyrdin can get along with Communists as well as energy barons, it is because he has been both. The son of a truck driver, Mr. Chernomyrdin, 59, began working as a compressor operator in central Russia.

Later, he worked for the local Communist Party in the city of Orsk, and became the minister of the Soviet gas industry in 1985. When the ministry was transformed into Gazprom, the huge and semi-privatized natural gas monopoly, Mr. Chernomyrdin became its first chairman.

His big political break came in 1992 when Yegor Gaidar, the pro-capitalist re-

former, was removed as prime minister. Mr. Chernomyrdin had assailed the "romantic" infatuation with the free market. But as a pragmatist, he now talks about the need for economic reform.

In a sense, Russia has had a preview of a Chernomyrdin government.

Mr. Yeltsin's drinking and poor health have meant that there have been long periods when Mr. Chernomyrdin has been the dominant figure, and when Mr. Chernomyrdin

has held the reins, Russia has tended to drift. One of Russia's greatest challenges is to break the grip that the small cluster of financiers and industrialists have on the economy. And few think Mr. Chernomyrdin is up to it.

If Mr. Chernomyrdin decides to run in the 2000 election, he has some political strengths. For want of an alternative, much of Russia's business elite seem prepared to back him if Mr. Yeltsin does not run.

Mr. Chernomyrdin has also proved himself a resilient bureaucratic fighter. He recently expanded his authority

at the expense of Anatoli Chubais and Boris Nemtsov, the most reform-minded senior officials in the Yeltsin government. They were left with such politically thankless tasks as compelling Russians to pay their taxes and phasing out housing subsidies.

What Mr. Chernomyrdin, however, has still not been able to do is make himself popular with the voters. His poll ratings are so low that the Russian media that support him tend not to report them.

He appears to be calculating that the Kremlin political machine and the financiers' backing will enable him to succeed, much as it helped Mr. Yeltsin reverse his disastrous ratings in the 1996 election. But Mr. Yeltsin had a spirit, lust for combat and even charisma that Mr. Chernomyrdin lacks.

To bolster his image, Mr. Chernomyrdin is starting a new show on the RTR state television channel on which he will respond to questions from the public. But he is such a wooden speaker that it's not clear whether this will help or hurt his prospects.

"Chernomyrdin will be answering citizens' questions live on TV," quipped the newspaper Russky Telegram. "Is this the first sign of the upcoming presidential election? Or maybe Yeltsin simply wants to ruin the prime minister's chances?"

"I know it's late, but I'd like some sushi. How far do I have to go?"



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INTERNATIONAL

Ruined Village in Kosovo Is Testimony to Ferocity of Serbian Assault

By Chris Hedges
New York Times Service

PREKAZ, Serbia — The hulking remains of burned houses, most with gaping holes in the walls from huge explosions, stood empty and silent Sunday like forlorn sentinels.

Cows ambled slowly across the ruts left by armored personnel carriers, their hooves falling on piles of metal shell casings from heavy machine guns. Sombre police carrying assault rifles and wearing bulletproof vests scanned the rolling countryside from the ridge lines and lay behind earthworks.

Serbian police and special paramilitary units surrounded Prekaz, one of the strongholds of the outlawed Kosovo Liberation Army, on Thursday and began the fiercest fighting in Serbia's southernmost province since a rebellion by ethnic Albanians against Communist forces at the end of World War II. The fighting, which ended Saturday when the last pockets of resistance were driven out of the town or subdued, left at least 26 ethnic Albanians and two policemen dead.

There were indications that the death toll,

however, might be much higher. Community leaders in the area say family members who have been to the morgue in Pristina found at least 38 dead from Prekaz and two neighboring villages. At the edge of the town, 40 kilometers west of Pristina, lay two dozen freshly dug graves in a field.

The police did not permit reporters, who visited Sunday for the first time, to inspect the graves.

Those who fled the village of about 1,000 said that the hundreds of police who made the assault fired indiscriminately, especially at men, many of whom were apparently armed.

"We understand that about 30 percent of the village fled in the first hours of the fighting," said Adem Meta, a local ethnic Albanian leader in the neighboring town of Skenderaj.

"Prekaz is empty now," he said. "We have no idea what has happened to the rest of the villagers."

In the hills around the town women and children, along with small bands of armed men, continued to move through the woods to evade capture by police units.

"We gave everyone in the town a chance to leave," said a police major, carrying two portable walkie-talkies, who refused to be identified.

"Those who surrendered were allowed to get out," he said. "The rest of the town decided to stay and fight."

There were clear indications that the town saw heavy combat, despite claims by many ethnic Albanian leaders that the villagers were unarmed. On the floors of houses, where broken terra cotta roof tiles and charred timbers lay in piles, were scores of shell casings.

"We had no idea the terrorists had this kind of weaponry," said a police commander, who also did not want to be identified. "They opened up on us with machine guns. They were lobbing mortars at us. No one expected them to have mortars. These can only have come from Albania."

The town was, until the attack, an example of how brazen the rebels have become in remote parts of the province, which had its autonomous status revoked in 1989 by the Serbian leader, Slobodan Milosevic. Rebels paraded through the streets armed and in uniform in the middle of the

afternoon. There were often guerrilla roadblocks set up on the two dirt roads leading into the village.

Adem Jashari, one of the top rebel leaders, who the Serbs say was killed in the assault, used the village as a base and last month held a lengthy interview here with The New York Times. Mr. Jashari, who ethnic Albanians insist escaped the cordon with a contingent of fighters, was perhaps the most wanted man in Kosovo. Mr. Jashari's wife, two sons and his elderly father all died in the assault.

"There were groups of terrorists who escaped to the hills at night," said the major, "and these are the people we are trying to track down now."

It was clear from the demolition of family homes, many of which were surrounded by high cement block walls, that the Serbs used massive firepower to quell the resistance. Shell casings inside the wrecked homes lay littered by wind-downs where rebels had fought the police for two or three days.

Those who fled the town said they did so amid heavy gunfire. They all tell harrowing tales of

sleeping in forests, begging for water from homes and huddling with frightened children in the underground as police units fired upon them with assault rifles.

Marie Kodra, 38, fled Prekaz at dawn on Thursday, during the initial hours of fighting, with her five children.

"The Serbs began to fire mortars on our houses," she said. "I grabbed my children and left Prekaz. We could not go into the streets, there were too many police, so we went into the hills. As we ran from the house the bullets were fired around us."

Mrs. Kodra, who husband was killed in the battle with the police, ran into a police patrol and waved a white scarf.

"I shouted I am a woman with children," she said. "I heard the officer yell: 'Shoot! Kill them!' I pushed my children to the ground and an explosion went off near where we were lying. My 6-year-old son faints. We saw men in black uniforms and masks go by us in the woods."

They had huge knives. I thought my little boy was dead. He did not regain consciousness until I washed his face in water from a stream."

Blind Women Are Among 32 Algerian Dead

Agence France-Press

ALGIERS — At least 32 people, including four blind women, have been killed in Algeria since Friday in attacks blamed on Islamic extremists, according to security forces and press reports Sunday.

Security forces said Sunday that seven people had been killed overnight in El Ouir, in the northwest of the country, and that six others, including the four blind women, were slain near Boufarik, about 25 kilometers (15 miles) south of Algiers.

Elsewhere, the bodies of six shepherds with their throats cut were found by security forces in the farmland south of Algiers, the newspaper La Tribune reported Sunday.

The discovery, near Medea on Saturday, brought to 19 the number of people reported to have been killed in the farming region Friday. Thirteen others were killed in Djelfa and Tissemsilt. Another shepherd was wounded Friday by a bomb explosion in the same region, according to the newspaper Al Khabar.

President Liamine Zerroual made a two-day visit to the Medea region last week, during which he announced a "national reconstruction program" for the 20 provinces hit by the violence. The visit marked the first time that General Zerroual had publicly paid his respects to victims of the unrest, which began in 1992.

The president laid flowers at the site of a bomb blast that killed 11 people and reiterated the government's determination to "eradicate the terrorism."

On Sunday, Algerian newspapers reported that from 19 to 52 people had been wounded in a grenade attack Saturday in Algiers. Officials had said earlier that 13 people were wounded. There was no claim of responsibility for the attack, but it was blamed on Islamic extremists.

Meanwhile, an army offensive was continuing against armed Islamic groups in the west of the country. News reports said that about 20 Islamic extremists had been killed by security forces in the west and southwest of the country since Friday.



Foreign diplomats walking past destroyed houses in the Kosovo village of Prekaz, a stronghold of the rebels.

Leonie Rysanek, Austrian Soprano, Dies at 71

The Associated Press

VIENNA — Leonie Rysanek, 71, a celebrated soprano who gave more than 2,100 performances on the world's leading opera stages, has died, the Austrian Press Agency reported Sunday.

Miss Rysanek died overnight Saturday of an undisclosed disease, the report said, without giving further details.

Miss Rysanek was best known for singing Strauss and Wagner heroines. Born in Vienna on Nov. 14, 1926, she rose to fame at the age of 24 as Sieglinde in Wagner's "The Valkyrie" at the first postwar Bayreuth festival.

Between 1949 and 1956, she sang on leading stages in Vienna, San Francisco, Paris, Milan, Munich, Berlin, Hamburg and, perhaps most notably, New York.

She began a long and brilliant career with the New York Metropolitan Opera

in 1959 as Verdi's Lady Macbeth. When she made her 29th and final appearance with the Met in January 1996, the adoring crowd gave her a 20-minute standing ovation.

At one of her 32 Met performances singing Senta in Wagner's "The Flying Dutchman," spectators were so transfixed that applause lasted through the entire intermission until the conductor came out to start Act III.

Last November, when she made a guest appearance at the Tucker Foundation's annual gala at Avery Fisher Hall in New York, she drew the biggest ovation of the night without singing a note.

Richard F. Shepard, Ex-Writer And Editor for New York Times

New York Times Service

NEW YORK — Richard F. Shepard,

75, a retired New York Times writer and former cultural news editor died Friday night at his home in Queens.

Mr. Shepard, who died of a heart attack, was a cultural news reporter from 1962 until 1969, covering stories in all the cultural divisions, including drama, music, art, dance and books. In 1969, he began two years as cultural news editor.

Ronald Johnson, 62, an American poet whose "Ark," a 250-page work in 99 sections, was published in 1996, died of brain cancer Wednesday in Topeka, Kansas.

Eric M. Breindel, 42, former editorial page editor for The New York Post and the moderator of a weekly conservative TV news show, died of an undisclosed illness Saturday in New York.

ALBRIGHT: Action Urged Over Kosovo

Continued from Page 1

grade to a moderate turn on Kosovo.

In France, President Jacques Chirac warned Sunday that Europe must "not accept a slide into civil war that would gradually threaten stability throughout the southeast of our continent." But Foreign Minister Hubert Vedrine, with whom Mrs. Albright held talks earlier in the day, declined to discuss any specific actions that might be set in London on Monday by the Contact Group countries trying to coordinate policy on Yugoslavia — Britain, France, Germany, Italy, Russia and the United States.

Prospects appeared dim, diplomats said Sunday, for a united front to emerge in London in support of new economic sanctions against Belgrade. Russia, which supports Mr. Milosevic's claim that Kosovo is an internal Yugoslav question, has not backed calls for international action beyond urging dialogue. It is sending a deputy minister to London instead of Foreign Minister Yevgeni Primakov.

Operation Is Over, Serbs Say

Serbian police declared their crackdown on ethnic Albanian separatists in Kosovo over Sunday. The Associated Press reported from the Kosovo village of Prekaz.

But prospects for lasting stability looked shaky after a four-day sweep that resulted in devastated villages, burned houses, thousands of evacuations and an undetermined number of deaths.

Leaders of the ethnic Albanians claimed a lull in the fighting was planned to deceive the West. They called for mass rallies throughout Kosovo on Monday to protest "Serbian terror."

The Albanians' claims of scores of deaths — the Serbs' announced toll is 28, including two of their policemen — and unprovoked shooting have prompted increasing outrage worldwide.

Foreign diplomats and journalists had been kept at the edge of the Drenica conflict region throughout the crackdown, which the Serbs said was in response to increasing attacks by the pro-independence Kosovo Liberation Army.

But the Serbs apparently wanted to declare their action over before the Contact Group meeting in London, where they can count on Russia to try to limit any tough action against them.

On Sunday, they used buses to shepherd reporters and officials into the region, driving them through dozens of

ghostly, virtually deserted villages whose ethnic Albanian residents had fled. It was still impossible to ascertain casualties.

"The operation to liquidate the heart of Kosovo terrorism has ended," said the Serbian deputy chief of Kosovo Province, Veljko Odalovic.

In Prekaz, a prime target of the Serbs, about half the village's 50 houses had been destroyed or heavily damaged, and there were gaping holes in facades from heavy weapons, bullet-riddled or charred walls and shattered glass.

Worst-hit was a walled compound of five new houses that belonged to Adem Jashari, who the Serbs say was the guerrillas' leader and who was killed last week. The militant group has claimed responsibility for the killings of more than 50 people since it surfaced 19 months ago. Parts of the complex were leveled, left in rubble.

Evidence of heavy shelling was everywhere in the small targeted valley, with concrete utility poles snapped in half and spent high-caliber shells dotting roads and fields.

BRIEFLY

Offering of Solace For Afghan Women

TEHRAN — Iran's highest ranking female official told Afghan women that Iranian women were "listening to their suppressed cries" under the rule of the extremist Islamic Taliban government.

Massoumeh Ebtekar, Iranian vice president for environmental affairs, said: "Your unbearable present status is eyed with deep concern by the Muslims all over the world."

The official Iranian press agency IRNA said Sunday that Mrs. Ebtekar made the comments at an assembly of women in Mazar-i-Sharif, Afghanistan, to mark International Women's Day. (Reuters)

Colombians Vote

BOGOTA — Colombians voted Sunday to choose a new Congress against the backdrop of one of the bloodiest guerrilla offensives in the country's 30-year-old civil conflict.

President Ernesto Samper, who voted in Bogota's Bolivar Square shortly after polls opened at 8 A.M., urged Colombians to vote despite threats of violence.

Marxist rebels had launched a series of assaults against security forces just before the election, including an attack last week in the southern department of Cauca in which they claim to have killed 80 counterinsurgency troops and taken 43 others prisoner. (Reuters)

Pope's Aid Sought

LAGOS — Human rights campaigners are expressing hope that Pope John Paul II will use his visit this month to seek clemency for Nigeria's political prisoners. The issue has gained urgency, they say, with the worsening health of one of country's best-known detainees.

Clement Nwankwo, leader of the Lagos-based Constitutional Rights Project, said: "The safety of the political prisoners needs to be guaranteed, and we hope the Pope will raise these questions" with General Sani Abacha, the Nigerian leader.

Beko Ransome-Kuti, leader of the Campaign for Democracy who was imprisoned in July 1995 after being convicted of involvement in a coup plot, was hospitalized in February, his family said, because he was suffering from an irregular heartbeat and weakness. It is unclear whether he is still in the hospital, the family said.

The Pope is scheduled to arrive in Nigeria on March 21. (NYT)

Ganges Dam Plan

DHAKA, Bangladesh — Prime Minister Hasina Wazed asked overseas donors Sunday to help Bangladesh build a billion-dollar dam on the Ganges River.

Representatives of international donors including the World Bank, the Asian Development Bank and Japan attended a seminar here on water resources management.

Government officials said the country planned to build the new dam at Pangsha, 150 kilometers (90 miles) west of Dhaka. (Reuters)

DATA: Firms Know It All About Americans

Continued from Page 1

Axiom can often determine whether an American owns a dog or a cat, enjoys camping or gourmet cooking, reads the Bible or lots of other books. It can often pinpoint an American's occupation, car and favorite vacations. By analyzing the equivalent of billions of pages of data, it often projects for its customers who should be offered a credit card or who is likely to buy a personal computer.

Some say this power is fundamentally benign and ultimately benefits consumers by allowing quicker loan approvals and fewer annoying direct mail pitches.

"The data have always been there," said Donald Hinman, an Axiom executive. "It's just that now, with the technology, you can access it."

Axiom is a leader among hundreds of companies around the United States that maintain vast electronic reservoirs. These companies include such retailers as Sears, Roebuck and Co., gift shop chains like Hallmark Cards Inc. and insurance companies like Allstate.

Data warehouses glean much of their information from consumers themselves, who often do not realize that the facts they provide in credit card applications or at the checkout counter are valuable commodities in this new age of information trading.

Companies like Axiom are under few obligations to divulge their files to consumers, and state and federal lawmakers are only beginning to address some of the privacy questions raised by aggressive data gathering.

Although banks and retailers have long kept files on customers, few have had the technological capability to sort information from various sources — everything from government records to magazine subscriptions — to produce a clearer picture of their patrons.

"Technology has been the enabler," said Mr. Hinman, who likens the advances to the invention of the printing press. "Today it's almost unbounded, our ability to gather, sort and make sense of the vast quantities of information."

The number of data warehouses — large and small, using faster computers, the Internet and other networks — exceeds 1,000, a 10-fold increase in five

years. Only a few — like Metromail Corp. and R.L. Polk & Co. — have grown as large or powerful as Axiom.

"They have gone on an information-collecting binge," said Charles Morgan Jr., chief executive of Axiom, describing the data-mining explosion. "There's just this insatiable appetite for more information to make better decisions."

Privacy anxieties have drawn the attention of legislators and regulators in Washington and across the country. New federal restrictions on the use of credit reports and driving records took effect in the autumn; the Department of Health and Human Services recently made recommendations about the use of personal health information. The Clinton administration has pressed companies using the Internet to disclose more about their information gathering.

The number of privacy bills introduced in state legislatures last year topped 8,500, according to an analysis by StateNet, which tracks legislation.

But privacy specialists say such scattered efforts lag far behind the race to build larger, faster data repositories. "We have witnessed an enormous transformation in information collection and use, without any of the concomitant political debate," said Joel Reidenberg, an author and a law professor at Fordham University in New York. "This shift has dramatically increased and changed, largely hidden from public view."

Credit reporting is a booming business, but officials at the big three U.S. bureaus — Experian Inc., Equifax Inc. and Trans Union Corp. — declined to divulge how many reports they issue, saying such information could help their competitors.

Associated Credit Bureaus Inc., a trade group, says 600 million reports were sold last year, a 25 percent jump since 1991. These reports typically contain a person's name, age, Social Security number, past and current addresses, as well as information on credit and payment histories.

There also has been an uncharted increase in the number of World Wide Web sites selling reports with personal data that helps locate individuals, evaluate them for jobs or bolster legal cases against them. These details frequently are culled, legally, from credit reports.

As of 1999, the Direct Marketing As-



Charles Morgan, the head of Axiom: "There's just this insatiable appetite for more information."

sociation will require members to disclose how they gather and use marketing research data. But such disclosure has its limitations. Axiom, for example, will discuss how it gathers data but says it is technically impractical to allow individuals to see their files.

The company does not typically provide reports on individuals. Rather, it identifies thousands or millions of people at a time who fit particular profiles: for instance, people of a certain age or weight who read certain magazines, drive certain cars or use certain credit cards could all get personalized promotions from a vacation company.

The company does allow people to opt out of its databases, but fewer than 300 people had done so by the end of last year, according to Jennifer Barrett, group leader in charge of privacy issues. Ms. Barrett said that is because Axiom does not abuse information. "The real issue is not what information is collected on you," she said. "It's how it's used."

But Leslie Byrne, former director of the U.S. Office of Consumer Affairs, offered a different explanation, saying, "In my travels, most people don't have a clue what's being gathered about them."

KOSOVO: A Balkan Nightmare Returns

Continued from Page 1

an appeal to Serbian fears of groups like Kosovo's Albanians, and he revoked the region's autonomy. That set off the first alarm bells.

The response within Kosovo defied the worst predictions, however. Most of the rest of Yugoslavia dissolved in bloodshed in the next three years, but a remarkable civility reined in the tactics of Kosovo's ethnic Albanian leaders. They too, wanted independence, but they knew the terrible price to be paid for indulging in violent revolt.

As Kosovo's Albanians see it today, though, the lack of drama in their land lulled Washington into a false belief that there was always another day to work things out — and room to naively hope that Mr. Milosevic's brutal Serbian regime could be reformed.

It is ironic that the Dayton accord of 1995, which produced the uneasy peace in Bosnia, was probably the signal event in the formation of an armed insurgency in Kosovo. The leadership in the capital, Pristina, watched in disbelief as the fate of Kosovo was never raised in Dayton, and as other Yugoslav groups that had mounted armed rebellions achieved recognition and even independence.

It was especially galling that the self-styled Bosnian Serb republic, which had overseen the expulsion and murder of tens of thousands of Muslims, obtained quasi-legitimacy in Dayton while Kosovo was ignored.

"It was a terrible, terrible lesson," said a minister in the self-styled government who asked to remain unidentified. "We learned that violence works. It is the only way in this part of the world to achieve what you want and get the attention of the international community."

Meanwhile, in the years that the dispute in Kosovo was allowed to drag on without being addressed from outside, the animosities and divisions between the province's ethnic Albanians, most of whom are Muslims, and its Serbs, who are Orthodox Christians, only deepened.

Mr. Milosevic may feel that there is little more that Washington seems ready to do.

Today, most students are handed diplomas from "the Republic of Kosovo" and know Serbs only as policemen and soldiers. The police patrol Pristina in flak jackets and carry automatic assault rifles. A privileged Serbian minority of fewer than 100,000, which has a lock on authority and runs the state companies, lords it over an impoverished populace of 2 million, among whom the unemployment rate is 85 percent.

Any remaining illusions that Belgrade might begin a dialogue with the ethnic Albanians or restore the region's autonomy were shattered last week when police and paramilitary units, some of which served in Bosnia, responded to the emergence of a Kosovo guerrilla army by going on a killing spree that took scores of lives. Mr. Milosevic has ordered his forces to conduct an all-out campaign to put down the rebels despite warnings from Washington that what is needed is dialogue, and that Serbia could again become a pariah nation.

But such warnings present a quandary for Washington. However much the Clinton administration wants to see Kosovo's problems settled peacefully, it has made it clear that it also wants to see Kosovo remain part of Serbia — if with more autonomy — rather than set a precedent for further splintering the Balkans.

So, even if Mr. Milosevic is facing a new round of sanctions, he may feel secure in the calculation that there is little more that Washington seems ready to do.

Certainly, the ethnic Albanians would be hard put to stand up to his Interior Ministry's well-trained special police units, who have never shied away from wholesale slaughter.

But that is not the way many ethnic Albanians see it. For them, the guerrillas hold out their final hope for an independent state amid a bitter sense that the outside world betrayed them by ignoring the resistance movement when it was nonviolent. And there is the naive belief that because violence worked in Croatia and Bosnia it can work here.

EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

A Spark in the Balkans

Bosnia collapsed in upon itself, but the violence in Kosovo could ignite the Balkans beyond the former Yugoslavia. The guerrilla terrorism and state massacres of the past week are forcing American and European officials to take the danger seriously.

When diplomats from Britain, France, Germany, Italy, Russia and the United States meet in London on Monday, they should affirm Secretary of State Madeleine Albright's warning over the weekend to the Yugoslav president, Slobodan Milosevic, to stop the killings of Kosovo's Albanians.

Kosovo is a province of Serbia with a population that is 90 percent ethnic Albanian. Until Mr. Milosevic came to power in Yugoslavia in 1989, Kosovo governed itself. Since then, its Albanians have lived in a police state, trying to win their rights through nonviolent means.

Lately, a small group calling itself the Kosovo Liberation Army has turned to bombings and killings. Serbian forces have responded by stepping up their own terror.

If violence increases, Kosovo's conflict could spread to neighboring Macedonia, which has an ethnic Albanian minority. Since many of its neighbors have territorial claims on Macedonia, chaos there could encourage Albania, Bulgaria, Greece and Turkey to join a war.

Leaders in Washington and Europe have been talking about the danger for years. But even the Clinton administration, which has contributed the most to maintaining the peace, is not doing enough. Until Mrs. Albright's comments, Washington had refrained from reiterating its warnings about the costs

of Serbian intervention in Kosovo. Negotiations have been left largely in the care of well-intentioned citizens' groups. But the Kosovo Albanians need Washington's help to ensure that they are taken seriously.

The international community should remind the Kosovo Albanians that the world will not undermine the goal of multiethnic nations by supporting an independent Kosovo. A better choice is restoration of the self-governing status Kosovo held before 1989. The world must also work to cut off any arms or money flowing to the guerrilla group from Albania or groups in countries such as Germany.

The more urgent job will be persuading Mr. Milosevic, who began his drive for power in Yugoslavia with nationalist exhortations about Kosovo, to relax his grip. It will require unified pressure. The diplomats meeting Monday should begin by adopting Washington's proposal that the events of the last week be thoroughly investigated.

Britain, Greece, Italy and Russia should stop their trade with Belgrade, which has helped Mr. Milosevic stave off a foreign-exchange crisis and allowed him to maintain the patronage networks that keep him in power. If Russia is not willing to stop its sales of oil and arms, it should at least demand cash instead of barter from Serbia.

Mr. Milosevic keeps Serbian and possibly personal bank accounts abroad. These should be frozen. To reinforce the message, the diplomats of all NATO nations should make clear that Mr. Milosevic's defiance in Kosovo is being closely watched and is of great concern to them.

—THE NEW YORK TIMES

A Hand for Africa

The U.S. House of Representatives is scheduled to vote soon on an African trade bill. In the past, that would have been an oxymoron. The United States traded with Asia and Europe but sent aid to sub-Saharan Africa. This new approach, which treats African nations more as partners than as charities, is welcome — though not sufficient.

Many African economies are in danger of being left behind altogether as trade and investment unite the rest of the world. But in recent years, the true picture has not been quite as gloomy as news reports on civil wars and coups might suggest. Many African countries have moved toward democracy and free-market reforms. Many are trying to spend more on basic health and primary education. Many want to help themselves and not depend forever on foreign aid.

This bill is aimed at those nations. It was put together by Representative Philip Crane, a Republican, and his Democratic colleagues Charles Rangel, Jim McDermott and William Jefferson, and embraced by the Clinton administration. It would seek to encourage trade between Africa and the United States by removing quotas and many tariffs from the kinds of products

these poor nations could most plausibly export: textiles, clothing, footwear. It would stimulate and insure private U.S. investment in Africa, and create forums for African and American businessmen to cooperate.

The legislation carries a tiny price tag, but some in the House and Senate oppose it for protectionist reasons. Yet African textiles now account for only two-thirds of 1 percent of total U.S. textile imports and are unlikely to rise above 2 percent even in the most optimistic (by African lights) scenarios. Africa's industry is not a threat to the U.S. economy.

A more serious objection — though not a disqualifying one — is that this bill will accomplish less than some rhetoric suggests.

For countries as poor as those in sub-Saharan Africa, where average annual per capita income hovers below \$500, trade and investment alone cannot do the job. Aid remains essential, and yet U.S. assistance to Africa declined by 25 percent during the past two years. This trade bill can help, but only in combination with effective aid and substantial debt relief.

—THE WASHINGTON POST

Teaching Rights

Having pressed the Palestine Liberation Organization to crack down on terrorism, the United States cannot turn away from the sometimes ugly and unjust results. Palestinian security services regularly torture prisoners, and 18 people have died in their custody in the past four years. So it is reasonable for the CIA to be training Palestinian forces in more acceptable, and more effective, interrogation techniques and other aspects of intelligence gathering.

The training began nearly two years ago, and is accepted by Israel, which hopes it will provide better security against violent groups like Hamas. But it is not yet clear whether the U.S. assistance is producing the desired results. Abuses have not diminished since the program began. The record of similar U.S. training efforts in other countries has been mixed.

The results depend on whether the forces being trained are committed to changing their ways. They also depend on American trainers' unambiguous rejection of torture and other forms of violent interrogation.

During the early years of the Cold War, CIA trainers taught physical torture techniques, and it is only since the mid-1980s that the agency's rules have

excluded training in mental torture and psychological coercion. Washington must make sure those rules are not bent.

As America tries to improve Palestinian security efforts, word comes of an unfortunate decision by an Israeli Supreme Court panel authorizing the holding of 21 Lebanese men as a "bargaining card" for future prisoner exchanges. Most of these men belong to the Lebanese group Hezbollah, which tries to kill Israeli soldiers in Lebanon and civilians in northern Israel.

But Israel acknowledges that none of the 21 captives, some of whom have been in custody for a decade, threaten Israeli security. Holding them is offensive and is also redundant, since Israel has plenty of legitimate Lebanese prisoners available for future exchanges.

Workable peace in the Middle East requires that Israel and the Arabs develop more confidence in the fairness of each other's security agencies. The way to achieve that is through professional and legitimate law enforcement methods, not trampling the rights of innocent detainees. Washington should do all it can to help all sides understand that.

—THE NEW YORK TIMES

China Speeds Up Its Economic Reform, Slowly

By Thomas L. Friedman

SHANGHAI — Ever since Indonesia, South Korea and Thailand went into economic meltdown, the biggest question hanging over Asia has been this: Do the Chinese get it?

Do China's leaders understand that their own economy suffers many of the same ills as their neighbors' — bankrupt banks, real estate speculation, underregulated markets — and that the only thing saving China from being stampeded was an unconvertible currency that kept the electronic herd from getting inside its economy?

Well, after several days of talks with Chinese officials and entrepreneurs in Shanghai and Beijing, I've got good news and bad news.

The good news is that the Chinese really do get it. The deputy governor of China's central bank, Chen Yuan, was one of several here who laid out for me an analysis of the weaknesses of China's neighbors, and of its own economy, that was as brutally clear-eyed as anything you could hear at the International Monetary Fund. He indicated that in the wake of the Southeast Asian crisis, China intends to speed up the domestic reforms of its economy — floating a \$32 billion bond issue to shore up its four gigantic state-owned commercial banks — but it will slow

down its integration into the global market, by putting off making its currency fully convertible for "maybe 10 years."

In addition to shoring up the state-owned banks, which are carrying \$200 billion in bad loans made to China's state industries, the Chinese government plans a huge public-works program to spur job growth at home, along with a savage downsizing of the bureaucracy. It plans to cut millions of Communist Party and government jobs and to eliminate one-quarter of the country's 41 ministries.

The word in Beijing is: "Honey, I shrunk the party."

But China's leaders knew they had no choice. They had to streamline, downsize and globalize like everyone else.

"In 1987, the last major world economic crisis, most Chinese just watched and said, 'This is not our business,'" said Zhou Mingwei, head of the foreign affairs office of the Shanghai Municipality.

"Some people even said that crisis proved the weakness of capitalism and was good for us. Now there is a sense

that if you have a problem, we have a problem too. A totally different mentality has come about here within a decade."

But here's the bad news: Unless China's state-owned industries are eventually privatized, and the weak ones closed, they will never be properly run or profitable. And the \$32 billion just pumped into the state banks will be wasted.

But the government is reluctant to privatize the largest state-owned industries and banks because they provide jobs, housing, medical care for millions of Chinese — and because they are an instrument of Communist Party control.

It is so obvious what is happening here: China's leadership needs to keep moving the country closer and closer to free markets and free-market standards in order to maintain economic growth, which is the sole source of legitimacy now for the Communist Party.

But the more it moves in that direction, the more it unleashes economic forces it can't control, and the more pressure it comes under to give up control of those areas still under its thumb. So first it says no privatization of industry, then it says it will only privatize small industry, and now it is

under pressure to cut loose the big industries.

Meanwhile, in this half-open, half-closed Chinese economy, many people and towns are striking their own deals with the free market, ignoring the government.

I interviewed Wang Guoliang, a top official at the Bank of Communications, one of China's big four state banks. I asked where he got his news. He said his secretary prepared a summary for him from the Internet and Reuters. But he also got a lot from his son.

Then, out of the blue, he launched into a lecture about fathers and sons. "My son is an expert at the Internet, whenever he comes across something interesting on the Internet he shows it to me," said the banker. "But fathers should not be guided by sons. My son also makes suggestions to me, but I don't like most of what he suggests. The father should not listen to the son. It undermines authority. I told my son to read the Internet less and to study more."

The free market in China is just like that: communist banker's son. It's growing up fast. It's getting plugged into the world on its own, and it's not listening to Dad. Stay tuned.

The New York Times

A Well-Paid Labor Force Can Make the Tigers Sleek Again

By Walter Russell Mead

LOS ANGELES — Forget the toppling stock markets, the crashing property prices and the food riots in the streets of Jakarta. Asia's future, long term, is brighter than you think. I saw that future last month, in the unlikely place imaginable.

It was at a conference of East Asian union leaders, held by the AFL-CIO, on the old Clark Air Force Base outside Manila.

"Our biggest problem here in the Philippines is job flight," said one union organizer. "As soon as we start to organize a union, the company threatens to move to Vietnam."

His colleagues agreed. "This race to the bottom has got to stop," one said. "We need international regulations to keep companies from moving to low-wage countries like Bangladesh."

That was the unanimous view among the labor officials and human rights workers at the conference and, as Asian workers increasingly band together for higher wages and better working conditions, it will change the world.

For the last 40 years, as industrialization spread through Asia, it was the boast of Asia's business elite that their industrialization would be different from that of Europe and North America. There, industrialization transformed agricultural societies. Extended families were broken up as young people flocked to the city. Angry at exploitation, workers organized militant trade unions and fought for better wages and working conditions. Workers' parties demanded and won basic economic reforms by law: an end to

child labor; health and safety regulations on the factory floor; the 40-hour week; retirement benefits; and unemployment insurance.

Asian elites, looking at the expensive welfare states, regulatory structures and redistributive tax policy that developed in the West in response to labor pressure, vowed to go a different way. For many years, Asian labor agreed. When Western trade unions sought to limit the ability of companies to move to low-wage havens abroad, or sought to ban the use of child labor in internationally traded goods, Asian labor joined Asian governments in cries of protectionism.

Now all that is changing. Even before the economic crisis knocked the Asian tigers for a loop, labor was losing patience with wages and working conditions that are among the worst in the world.

Manufacturers throughout the region, often working under license for famous Western brands, routinely flout health, safety and pay regulations in Asia. Workers do not get the minimum wage; they are cheated out of overtime pay; they are exposed to hazardous materials.

In some countries and industries, labor has built powerful organizations. Korean unions helped force that country's dictatorial rulers to democratize. Hong Kong trade unionists not only try to improve working conditions in the territory; they and human rights groups affiliated with them also monitor labor

conditions inside China and do their best to help workers on the mainland learn about and exercise their legal rights. In other countries, like Indonesia, government opposition to real trade unions remains strong and inflexible.

But in all the major Asian economies today, labor is assuming a critical new importance. For one thing, with millions of manufacturing jobs added in the region since 1985, industrial workers have become a more powerful force. At the same time, labor's demands for higher wages and a better

When just a handful of countries were exporting low-wage goods to the West, the markets were large and so were the profits. But today's Asian manufacturer for Western markets faces stiff competition from other Asians.

All this competition drives down prices and profits and, in any case, the United States and Europe can buy only so many computers and pairs of shoes.

For Asia to start growing again, it will have to rely on home-grown demand. Asian manufacturers must learn to sell to Asian consumers — and that means Asian workers need to earn more money.

Earlier this century, the United States developed a financial system that makes it possible for ordinary people to afford homes with a small down payment and a 30-year mortgage. Single-family mortgages have evolved into a vast market in the United States. It is a profitable market for banks. It has produced a thriving construction industry. It has improved living standards for three generations of Americans.

Asia needs to heed this history. If it does — if workers' wages rise and the credit system adjusts to serve the needs of ordinary people — the Asian miracle could get a second wind.

This is why the tigers need strong and smart unions. Let's hope they get them quickly.

The writer, a senior fellow at the Council on Foreign Relations, contributed this column to the Los Angeles Times.

Is Cutting U.S. Immigration the Way to Save the Planet?

By Bill McKibben

JOHNSBURG, New York — In the next few weeks, the half million members of the Sierra Club will vote on the club's stance toward immigration.

The debate has already been spirited, since the vote represents an invaluable chance to raise the issue of how many people the United States can and should contain.

Immigration is about as difficult a moral subject as one can imagine, which is why even the proposed change in Sierra Club policy — in favor of an unspecified "reduction in net immigration" — has ignited dispute. It is a world of desperate poverty, it is hard for citizens of the richest nation to argue that the door should be closed, especially since nearly all Americans can recall their immigrant

roots. Not only that, too many people who support tighter controls on immigration are racists of various types.

So it is no surprise that most wise people, including most wise environmentalists, simply ignore the matter. The official Sierra Club policy for the moment is to "take no position on immigration levels or on policies governing immigration in the United States."

Environmentalists have focused on living more simply and more efficiently, but many have overlooked the messier and more divisive question of sheer numbers. While the American birth rate is just below the replacement level of 2.1 — the number of children each

mother would need to bear to keep the population constant — the total population continues to grow relatively quickly.

Part of this is because the United States has by far the world's highest level of immigration — something like 800,000 legal immigrants take up residence each year (not to mention illegal immigrants, estimated at 300,000 a year).

Natural increase and immigration, the Census Bureau projects, may combine to swell the population by as much as 50 percent in the next 50 years, bringing it to nearly 400 million.

That is a problem for two reasons. The first, and most obvious, is that this country, so seemingly empty when Europeans initially arrived, is by some definitions becoming crowded. It's true that the Plains remain sparsely populated, and probably always will. But the places Americans want to live are jammed.

With each year, the ring of suburbs spreads a little farther out, the roads become a bit more crowded, the margin for wild life becomes slightly smaller. That endless growth places real stress on supplies of everything from water to silence, from farmland to solitude.

But there is a bigger problem still. Americans, as the world's most voracious consumers, contribute far more per capita to the world's environmental problems than anyone else. So an extra hundred million Americans means, for instance, a staggering amount of carbon dioxide entering the atmosphere and warming the climate.

It is true that Americans could alleviate some of that problem if they consumed less and consumed more efficiently. But at the moment, they are building bigger homes and driving bigger cars.

This is a very different argument from the traditional lament of "they'll take our jobs from us." Economists by now have mostly concluded that immigrants actually create wealth. If those who wanted to immigrate here stayed instead

in Juarez or Shanghai or Dublin, they would do far less damage to the planet precisely because they would not be as rich.

That's the point, and that's also the rub. People want to come here for a better life with more opportunities, and why deny them that chance?

Of course, America already denies plenty of people that chance — even the current, historically generous immigration ceiling means many people are not allowed in. And while some population-control advocates want to see immigration all but stopped, most whom I have talked to would prefer to see the limits cut roughly in half, to about 400,000 annually.

At that rate, if the birth rate simultaneously fell to the European average of 1.5 children, the U.S. population could stop growing within a generation.

Still, such a policy would be harsh. It would mean 400,000 more people a year who would be turned away at the door, all in the name of as-yet fairly abstract problems like global warming. Such restrictions

would come at real cost to the American dream too; in most cities I know, immigrants best exemplify the kind of citizenship and community spirit increasingly absent from the nation's mainstream.

So I think Americans have no right to pass such laws, or even to support them in nonbinding forms like Sierra Club referendums, unless they also take steps in their own lives to lessen their impact on the environment. If Americans are not willing to reduce the size of their families or their sport utility vehicles, then cutting immigration is scapegoating; it may save some of the landscape, but at the price of the national soul.

If, however, Americans are willing to take some painful steps themselves, then they earn the right to tell some tough truths to others — chief among them that even this rich land cannot grow forever. Numbers count.

The author, a writer on environmental issues, contributed this column to The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Defence Bill

PARIS — The views of the National Defence Bill are conservative views. The press treats it as a measure of peace. The House has passed the bill unanimously. One Minister said: "All of us are as anxious as ever to avert war. It was deemed wiser to spend fifty millions in making war impossible than five or ten times that sum in actual hostilities. This money is for national defence, not for aggression."

1923: Negro Miners

NEW YORK — Administration circles were thrown into confusion when Mr. Dougherty, stated that he had a contract with the French Government to supply 5,000 negro coal-miners for the Ruhr to take the place of striking Germans. There was a prompt denial from the French

ambassador. Several hours later, Mr. Dougherty called the whole affair off. He also stated that he talked over the plan of furnishing the negro-miners with a labor contractor, and not with the French Government.

1948: West's Security

COMPIEGNE — General Charles de Gaulle, in a campaign rally, asked the United States to guarantee the military security of western Europe. General de Gaulle said that Soviet Russia was out for world domination. Consequently, he went on, the remaining free states of Europe must form an economic, diplomatic and "strategic" group. General de Gaulle said he saluted American initiative which led to the European Recovery Program for economic reconstruction. "But it is clear," he said, "that this support will have to be extended to embrace defense measures."

Herald Tribune

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BOOKS

ALEXANDER SOLZHENITSYN:
A Century in His LifeBy D.M. Thomas. Illustrated.
583 pages. \$29.95. St. Martin's Press.Reviewed by
George Steiner

TO use a Shakespearean image: During the late 1960s and throughout the '70s, Alexander Solzhenitsyn bestrode the world like a colossus. The winning of the Nobel Prize in Literature in October 1970, his expulsion from Russia in February 1974, the publication in the West of "The Gulag Archipelago" the same year, made him not only the world's most famous writer but a spiritual guide, a prophet, an exemplar unrivaled since Voltaire or Tolstoy. His every movement, his most occasional pronouncements, were the object of frenetic attention in the news media. Crowds blocked the airports at which Solzhenitsyn arrived. In the "free world," "Cancer Ward" and "The First Circle" sold by the million; in Russia and in Eastern Europe, clandestine copies passed from hand to hand, keeping fiercely alive "hope against hope."

Today, Alexander Solzhenitsyn lives in virtual isolation in a new Russia, where younger people deride his very name or profess not to know it. Abroad, references to his person and works are either distantly respectful or hostile. His vast opus on World War I and the background to the Russian Revolution, to which "August 1914" is only a prologue, continues to grind onward, moving on the literary-historical horizon like some improbable mastodon.

How did this decline in stature and reputation come about? Is it justified? Is it fair? Or is this implacable witness the victim of misprision, of an arbitrary relegation as illicit as the one that led to his incarceration in the hell of the Soviet camps and to his long years of ostracism from a homeland passionately, almost liturgically beloved? These questions make the present moment one both appropriate and premature for reevaluation. It may be too late to get certain problems into the requisite perspective. It may be too early to judge a vast textual output still in progress and a life as yet unquenched. There is more than a hint of courage in D.M. Thomas's attempt at a chronicle in depth.

AS Thomas makes explicit, his portrayal in "Alexander Solzhenitsyn: A Century in His Life" is founded on Michael Scammell's monumental 1984 biography. To it he adds documentary details that have come to light with the collapse of the Soviet Union and a summary account of Solzhenitsyn's works and days after his homecoming in 1994. Scammell's record is resolutely lucid and straightforward. Thomas is a novelist, a stylist of punchy, self-dramatizing prose and a Freudian in extremis. He dwells on intimacies for which there can be no direct evidence. "The secret nape-shivering thrill of sexual contemplation," for example, impels Solzhenitsyn to "stuff in a hole" his hidden manuscripts. It is often difficult to distinguish be-

tween conversations for which there is plausible testimony and those merely imagined by Thomas's busy imaginings. In compensation, there are numerous narrative brillianties and the author's impassioned knowledge of Russian literature. He's particularly enlightening, for example, on Solzhenitsyn's connection both to Pushkin and to modern Russian poetry.

Solzhenitsyn's writings have told his tale incomparably. In turn, his courage and genius for exact memory have released a flood of corroborative material, making the word "gulag" one of the defining markers of our century. But even when retold yet again, the bestiality of the Stalinist killing machine loses nothing of its impact.

ALTHOUGH the very notion is grotesque, Solzhenitsyn's term in hell was relatively mild. He was neither flogged to death in the KGB interrogation mill nor worked to extinction in the mines of Kolyma. He was not sentenced in perpetuity. After a spell in clay pits and brick factories, he was assigned to diverse forms of scientific research. There were renewed episodes of manual slave labor, but on the whole survival became possible in what Solzhenitsyn was to call the "first circle" of the inferno. At times, there was even access to books and technical journals. A number of Solzhenitsyn's fellow inmates were men of intellectual stature. Both to them and to the humble, Solzhenitsyn's exceptional moral authority and resilience became luminous. Occasional meetings with his wife, Natasha Reshetovskaya, were allowed from 1947 onward. But the strain on the marriage began to grow unbearable. It was in that same year, after being shunted between detention centers, that the writer perceived the insane enormity of the Stalinist penitential universe — saw it as a vast black hole in the fabric of history, with its own rituals, crazed logic and administrative immensity.

Released in 1953, Solzhenitsyn was exiled to the barrens of southern Kazakhstan. There he overcame, under harrowing conditions, a bout of cancer. School teaching saw him through recurrent pain and solitude. In 1957 he was reunited with Natasha and began to teach nearer Moscow. Two years later came the annus mirabilis: research for "The Gulag Archipelago" gathered pace. "The First Circle" was drafted and a short novel about daily life in a labor camp roughed out. The rest is indeed history and more. Submitted pseudonymously to the great editor Alexander Tvardovsky of the journal Novy Mir in 1961, and authorized, somewhat mysteriously, by Khrushchev in October 1962, "One Day in the Life of Ivan Denisovich," published on Nov. 17, swept across Russia and the world. Fame seemed to compel Solzhenitsyn inward. The summons to witness, to apocalyptic disclosure grew obsessive. The next 10 years saw a more and more desperate cat-and-mouse game in which Solzhenitsyn strove to outwit an increasingly vigilant, frequently hysterical censorship. Afraid of being betrayed into KGB hands, nauseated by the lies of European fellow

travelers, Sartre especially, the grand survivor, accompanied by his new family and some 1,400 pounds of luggage, came to the United States. (In 1973 Solzhenitsyn had divorced Natasha and married the mathematician Natalya Svetlova, with whom he had already had two sons; a third was born later.) He chose the isolation of a Vermont hamlet, where he spent 18 years, harnessed, almost monomaniacally, to the composition of his World War I epic. By the time he left for a liberated Russia in 1994, he had come close to achieving invisibility. What he could not foresee was that the best-sellers in the Moscow to which he returned were not "The Gulag Archipelago" but "How to Become a Happy Cat" and "Fifty Ways to Lose Weight."

What matters is the extent of our continued indebtedness to "Ivan Denisovich" to the mapping of the gulag. At so many moments, what our soiled age has had of conscience lay in this one man's angry keeping.

This is excerpted from a review written for The New York Times by George Steiner, the author, most recently, of a memoir, "Errata."

LANGUAGE

Broaching a Sensitive Subject: Monica's Brooch

By William Safire

WASHINGTON — Let us now broach the sensitive subject of Monica's brooch. A front-page New York Times article by Jeff Gerth and Steve Labaton introduced President Clinton's secretary to the world and included this sentence: "The secretary, Betty Currie, has also retrieved and turned over to investigators several gifts — a dress, a brooch and a bat pin — that the president had given to Ms. Lewinsky, the lawyers said."

My phone immediately began ringing off the hook. (When did they stop making phones that hung on hooks? There's another preserved anachronism.) Investigative reporters, White House sources and other conspirators from the vasty deep demanded in unison: "Forget about the dress and the bat pin — how do you pronounce brooch? Does it rhyme with poach or with coach?"

Not so fast; pronunciation is not a matter for a rush to judgment. The story begins with the Middle English word *broche*, from the Latin *brocca*, "spike," with the *o* pronounced as in "Oh, yeah?" As a noun, *broche* meant "a tapering pointed instrument," like a spear, a bodkin or a spit on which to roast meat, and centuries later, a chisel used by masons or a pick used by dentists. That meaning exists today in the French *en brochette*, with the skewer sticking through chunks of meat and onion and tomato.

As a verb, to *broach* carried forward that meaning of turning. Ships *broach* to when they turn broadside to wind or waves and thereby risk capsizing. Vintners tap a cask by *broaching* it, or

enlarging a hole with a boring-bit also called a *broach*. That "digging into" sense led to the current major meaning, "to introduce, to give vent to, to utter," which is why we have been able to *broach* this subject today.

While this was happening to the verb, the noun rooted in *broche* was developing in the jewelry business. "Send hire letters, tokens, *brooches*, rynges," advised Chaucer's narrator in 1385, in "The Legend of Good Women," possibly against his amanuensis's better judgment, with the *brooch* denoting a pin (the original spike) attached to an ornament or jewel to form a clasp. Today, it is often synonymous with "pin," but remains a special meaning of an ornamental device intended to clasp two garments, or sections of a garment, together — or at least seeming to.

Note the way the word broke into two spellings: the verb *broach*, meaning "to open up, introduce, address," and the noun *brooch*, meaning "an ornamental pin sticking through a garment." To me, that spelling split is a signal to pronounce the verb *broach* to rhyme with *coach*, and to pronounce the noun *brooch* to rhyme with *poach*.

Many dictionaries do not agree with me on this. They hold fast to the "oach" pronunciation for both verb and noun. Be patient; they'll catch up.

Practitioners of what Thomas Carlyle called "the dismal science" — economics — are in a cheery mood these days. Nowhere is the mood swing from gloom and doom to sweetness and light more vivid than in the use of the phrase *as far as the eye can see*.

Walter Heller, an economics adviser to Presidents Kennedy and Johnson, was prescient in concerns he expressed in August 1981: "Even with the [Reagan] tax cut and the investment stimuli, businessmen are worried about the huge budget deficits *as far as the eye can see*." Two years later, Reagan's director of the Office of Management and Budget, David Stockman, made the figure of speech more famous in the economics dodge when he warned more specifically that without more budget discipline, "there would be \$200 billion deficits *as far as the eye can see*."

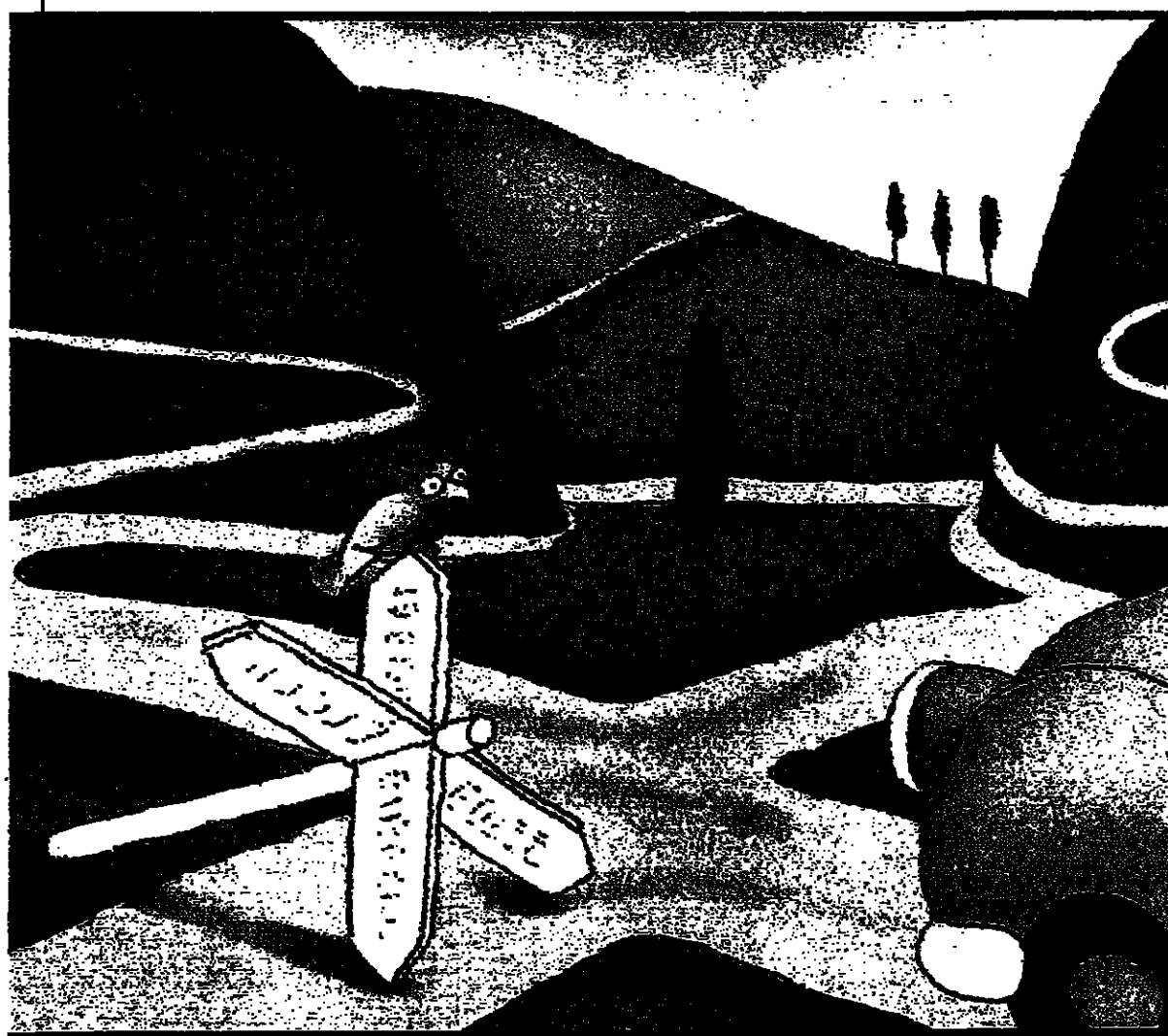
As recently as 1996, the Republican presidential candidate, Bob Dole, was thundering: "We have a president who's vetoed a balanced budget and submitted budgets with debt *as far as the eye can see*." But then President Clinton embraced the GOP goal as his own, and after long-sustained prosperity produced an unexpected tide of tax revenues, his economic aide Gene Sperling found it possible to use the magic phrase in a different direction early in 1998: "You'll see surpluses *as far as the eye can see*." Sure enough, in Clinton's State of the Union address, the phrase came shining through: "And if we maintain our resolve, we will produce balanced budgets *as far as the eye can see*."

Walter Heller would be proud. He was the one who underscored the efficacy of "jawboning" — price control by public presidential hectoring — and popularized an apocryphal quotation attributed to the gangster Al Capone: "You can get a lot more done with a kind word and a gun than with a kind word alone."

New York Times Service

GET YOUR MIND
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You arrive at a crossroads only to discover that the signpost has been blown down in a storm. You have no map. Which direction do you take?



- fig. 1
You have no map.
Remember.
- fig. 2
You lost your compass.
- fig. 3
What good's a cellular phone if you don't know where you are?

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BRIDGE

By Alan Truscott

OF the many tournaments played each year in Europe, the most international is certainly the Forbix-Krommenie. The Nations Cup, for four invited teams of the highest class, was won by France, with a foursome of reigning world champions: Paul Chemla, Michel Perron, Christian Mari and Alain Levy. The other teams represented the Netherlands, the United States and China, and they finished in that order.

The American team — Malcolm Brachman, Michael Passell, Paul Soloway and Bob Goldman — did better in the International Teams, finishing second in a strong field, just ahead of China. The winners were a German foursome — Michael Elinescu, Julius Wladow, Peter Spletzner and Helmut Hauser — who gained against the Americans on the diagrammed deal.

At both tables, East opened three clubs, and North responded with a double. In one case, as shown, Wladow as South tried three no-trump, giving up on the chance of finding a spade fit. After the lead of the ace and another club, he made a good move by leading to the diamond ace. When the king fell, he had time tricks and maneuvered an unimportant overtrick. If the diamond king had not fallen, and West had held the

king, South would have had several chances. He would have begun by surrendering a diamond to West and would later have cashed the top hearts. If the queen did not fall, he would have had a good possibility of maneuvering a ninth trick in one of the major suits.

In the replay, the American South responded three spades to his partner's double. North gambled with three no-trump, since East's clubs were unlikely to be solid, and he had to guess when the club queen was led.

He guessed wrong by playing dummy's king, and after the clubs had been cashed, he guessed better to make the last six tricks. But down three meant a gain to Germany of 13 imps en route to victory.

NORTH
♦ A 2
♥ A K J 6
♠ A J 9 7 3
♣ 6 2

WEST
♦ K J 5 3
♥ Q 9 7 4
♠ Q 10 5 4
♣ A 5

EAST (D)
♦ 9 8 4
♥ 3 2
♠ K
♣ Q J 10 8 4 3

SOUTH
♦ Q 10 7 6
♥ 10 8 3
♠ Q 6 5 3
♣ K 7

Neither side was vulnerable. The bidding:
East 3♣ South West North
1♣ Pass 3NT Pass
Pass Pass

West led the club ace.

LEADING THE WORLD IN THE EURO

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PARIBAS Thinking beyond banking



FENDI

EURO: U.S. In

Continued from Page 1

The euro, the new currency of the European Union, is set to replace the dollar as the world's most widely used currency. The transition is expected to be completed by the year 2000. The euro is expected to have a significant impact on the global economy, particularly in the areas of trade and investment. The U.S. government is closely monitoring the development of the euro and its potential effects on the American economy.

Mr. Feldstein

conflicts over policy could be a situation where war would be impossible."

Mr. Feldstein, a prominent economist, has expressed concerns about the potential for conflicts over policy between the U.S. and the European Union. He believes that a situation where war would be impossible could arise if the two sides are unable to reach a consensus on key economic issues. He argues that the U.S. must take a strong stance to protect its interests and ensure that the transition to the euro does not undermine the global financial system.

Mr. McDonough

worried about the apparent lack of accountability of the new European Central Bank.

Mr. McDonough, a senior official at the U.S. Treasury, has expressed concerns about the apparent lack of accountability of the new European Central Bank. He believes that the bank's policies could have significant implications for the U.S. economy and that there is a need for greater transparency and oversight. He calls for a closer relationship between the U.S. and the European Central Bank to ensure that the interests of both sides are protected.

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INTERNATIONAL

EURO: U.S. Awakens Slowly to the Birth of the Single Currency

Continued from Page 1

Tarullo, assistant to the president for international economic policy. "In fact, our premise is we've got a great interest in a strong Europe. To the degree that EMU helps this, we're in favor. I can say that each time the euro comes up in discussions among senior economic officials, the consensus is that successful monetary integration is good for the U.S."

The same basically positive register was evident in an interview with Lawrence Summers, deputy secretary of the Treasury, whose brief makes him the Clinton administration's point man on international economics. He talked about the euro's importance for American business, its potential as a source of reduced friction, and its status as a development that embodied the idea that what was good for Europe was good for America.

Yet, there was a fine trace of apprehension. Referring to monetary union's dense obligations and criteria, and its still undecided exchange-rate policy, Mr. Summers said, "It's very important that EMU be a spur to structural change rather than a diversion from it. It's important that Europe not paper over internal conflict through external measures, or by using a weak currency as a competitive advantage."

Europeans in Washington who watch American attitudes say they find concern on monetary union here breaking down into three segments. They report that they encounter the least prickliness in the business sector where big companies with European-based subsidiaries operate exactly like their European counterparts in preparing for the euro. They also report considerable practical interest among smaller companies, which hope that a single currency will make exporting simpler, and among financial institutions planning to use their strength in the new and deeper single-currency European capital markets they think will soon develop.

Talking about the attitude of major U.S. concerns, Ambassador Hugo Paemen, who heads the EU delegation in the United States, tells the story of asking people at Microsoft Corp. and Coca-Cola Co. how they were planning to deal with the euro, and hearing that both companies were already doing their European accounting to a large extent in European currency units, the notional currency computed from a basket of currencies that approximates the euro-to-be.

At the most practical level, Jack Beutell, director of international marketing and sales at Ben & Jerry's, the Vermont-based ice cream company, which is now expanding its operations into Europe, said that his decision-making was independent of the euro, but that its coming would make for a lot less thinking about wearisome things like which partner pays a penalty when exchange-rate variations affect price. For bigger companies with a substantial presence in Europe, Mr. Beutell said, "the euro is really a yawn."

Ray Bullock, who runs Bison Gear, a company with 185 employees that makes electric-gear motors in St. Charles, Illinois, also had a positive view. He talked of his experience watching "the lira go all over the place."

"With the euro," he said, "we'll appreciate the stability. But that stability is not universally regarded as a sure thing. Robert Denham, former chairman of Salomon Brothers, said he felt Europe needed a benign economic environment for the new currency to be successful. It was stuck with its start-up date and an environment out of its control."

"If you start a hedge fund, you've got to be good right away, within six months, or you're never going to be," he said. "The George Soros."

"The euro is locked to that reality."

Some of the Europeans who track the administration's evolving attitude toward the euro regard the American position now as one of hoping for the best (as a stimulant for trade and the European economy) while considering the new money, and its eventual status as a reserve currency, as a complicating factor in the United States' operations as a superpower.

To the extent that the euro would become a reserve currency, some Europeans sense — or want to believe — that its presence would diminish the role of the dollar and make the projection of American force around the world more difficult.

"It's the greatest monetary reform since Bretton Woods, and it's not theirs," said a European official. "I liken the euro to the European pillar of NATO. In some ways, it's something the Americans are for, but at the same time don't absolutely need or want. Over time, some of them will see it as making their life less simple. It's more convenient to be the one power around and to take decisions on your own."

Some of this may be a European projection onto a very different American psyche of the European need, particularly strong in France, to justify the sacrifices in joblessness and austerity made for monetary union with the assertion that in five or 10 years the

Mr. Feldstein says conflicts over policy could create a situation where war would be "not impossible."

euro would become a challenger to the dollar. This idea, when tested among bankers and government officials, barely draws a yawn, with some saying it will take decades for the euro to prove itself, and that the United States would more likely than not welcome its emergence as a factor lessening the dollar's burden as a reserve currency.

With a bit of sly amusement, an American said that Washington's relative indifference to the euro was probably a difficult thing for some European egos to manage.

If the administration does have concerns about the euro, they appear to be very general ones, relating to the prospect of increased insularity in Europe as it deals with the currency's installation, the need for more structural flexibility in European economies to compensate for the loss of multiple exchange rates, and the possibility that French notions of political control will eventually win out over Bundesbank-type probity in the management of the new European Central Bank and European monetary policy.

What the Europeans are not sure about is how much administration conviction is reflected in the strong conceptual attacks on monetary union published in the last six months by economists such as Milton Friedman.

Mr. McDonough is worried about the apparent lack of accountability of the new European Central Bank.

Economic Advisers during the Reagan administration, and Rudi Dornbusch, professor at the Massachusetts Institute of Technology.

All have argued that monetary union in Europe is a mistake. Some see the potential for social unrest arising out of a system without common budgeting, fiscal policy or flexible labor markets, that with a single currency cannot use exchange-rate variations to rapidly compensate for regional declines. In each case, the economists tend to understate or disregard the European political will behind the undertaking, and the will of European leaders to sacrifice to make the euro succeed.

Mr. Friedman, for example, said monetary union was a political idea "imposed under unfavorable conditions" that would rob Europe of the exchange-rate flexibility that now lets its different regions compensate for swings in wages and output through exchange-rate adjustments. Rather than leading to political unity, the new system would prove a barrier to it. Mr. Friedman wrote,

"EMU has gone from being an improbable and bad idea, to a bad idea that is about to come true."

Mr. Dornbusch said, "High unemployment, low growth, discomfort with a welfare state that is no longer affordable — all these issues have found new hope for resolution in a desperate bid for a common money, as if that could address the real problems of Europe. On the contrary, the hard work of attaining a common currency is adding to the burden of an already mismanaged Europe. The struggle to achieve monetary union under the Maastricht formula may be remembered as one of the more useless battles in European history."

Mr. Feldstein's analysis is the most dire. He sees an acceleration of tensions, stressing the inconsistency of a "French aspiration for equality and a German expectation of hegemony." Labor-market flexibility and transfer payments would be limited by the euro, and Europe's competitiveness curtailed, he says. The global trading system would be undermined as a result, creating the possi-

bility of "serious conflicts with the United States and other trading partners."

Developing a complex chain of reasoning in an article in Foreign Affairs, Mr. Feldstein insists that conflicts over economic policy and interference with national sovereignty would leave Europe in a situation where war "would be abhorrent but not impossible." With the birth of monetary union and a political union that might have interests opposed to those of the United States, he says, "the world will be a very different and not necessarily safer place."

Mr. Feldstein's view has received some attention, but very little backing.

Taking a less heated but still critical position, for example, was William Brown, chief economist of J.P. Morgan. "My view," he said, "is that it's all much less of an event than more. Europe has had semi-fixed exchange rates since Bretton Woods. Snakes and exchange-rate mechanisms et cetera. It's not a big event. Anybody who wants to play a leadership role on the global scale is wel-



Richard Drew/The Associated Press

William McDonough, left, sees monetary union as a positive development and says its significance has been understated in America. Martin Feldstein, right, is one of the most dire critics of Europe's single currency, which he sees as a source of tension.



Ray Langlois/The Washington Post

come to it. I should add that people are very cynical about the ability and willingness of Europe to assume responsibility."

Mr. McDonough, the chief of the New York Fed who says "there can be no doubt about the magnitude and economic importance" of the events next year, nonetheless expressed some concern in an interview about the apparent lack of accountability of the new central bank, arguing that "at some time the European Central Bank will need political oversight."

The same point was made by W. Bowman Cutter, a former Clinton administration economics adviser who is now a managing director of E.W. Warburg, Pincus & Co., a New York investment bank. He also considered that the central bank's accountability was vague and thought that this would lead to fights among the Europeans for a decade.

But he said he felt that most of monetary union's critics among American economists had missed the point.

"I think it will unleash vast

structural change," Mr. Cutter said. "It is an enormous achievement. It is consistently underplayed here. Economists ask if it will mean more austerity for Europe. EMU makes it significantly easier to carry on business across borders. It's not a trivial matter if you're a middle-management guy sitting in an office deciding to make a marginal transaction. That's a vast difference."

"It converts Europe into a continental economy for the first time. You'll see many small cross-border mergers

and financial institutions integrating. It sets a series of dynamics in motion. They'll move rapidly toward common regulatory regimes in various areas. And even if no one admits it now, they'll begin to have a common fiscal policy. It also provides cover for changes Europeans have to make and don't want to make fully exposed — labor laws, welfare, social justice and so on."

"I admire enormously what they've done. It's hard to do anything in government, and this is really it."

GET YOUR MIND WORKING WITH PARIBAS

Two elephants are sitting on a log. The little elephant is the big elephant's son, but the big elephant is not the little elephant's father. How is this possible?



fig. 1

"If you are not my father, I wonder who is?"



fig. 2

"The bigger question is: who am I?"

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SIZE IS MISLEADING

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Yet to some people who view banking from a distance, a more familiar name somehow just sounds bigger. And often for no reason at all.

Which brings us back to that log and those elephants and the moral of this story which is "never assume".

We assume that because we say "big elephant" it must be male. In fact, the big elephant is the little elephant's mother. <http://www.paribas.com>

PARIBAS Thinking beyond banking

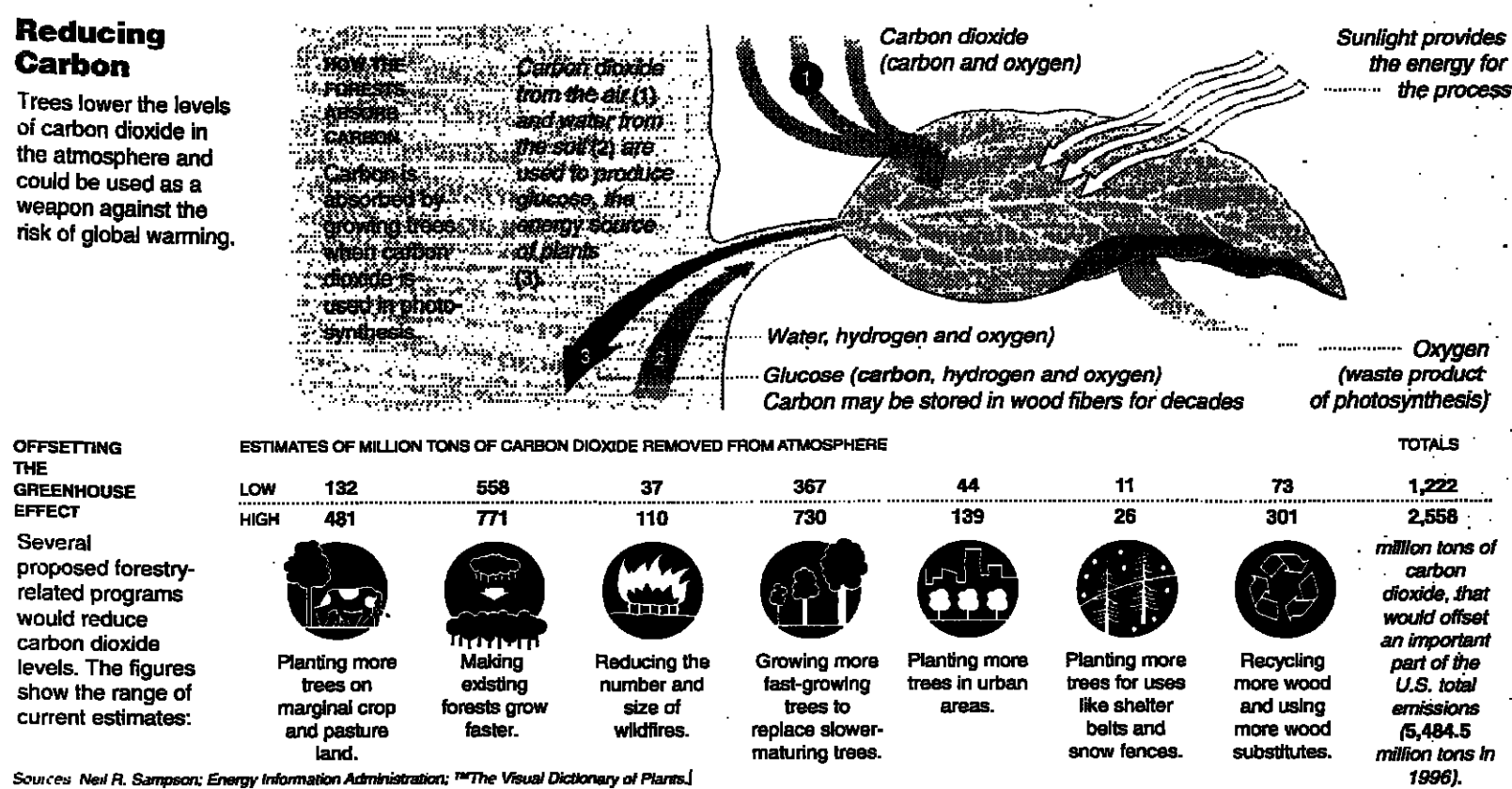
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وڪي امن الرکھل

HEALTH/SCIENCE

Reducing Carbon

Trees lower the levels of carbon dioxide in the atmosphere and could be used as a weapon against the risk of global warming.



Can Trees Mitigate the Greenhouse Effect?

By John H. Cushman Jr.
New York Times Service

NEW YORK — On 80 acres of the wettest land in Catahoula Parish in Louisiana, an experimental crop of hardwood saplings is sequestering carbon dioxide from the atmosphere and locking it up in wooden cells.

The foot-high seedlings of ash, oak, and pecan are barely two years old. Still overshadowed by annual weeds, they are struggling to establish roots under the perennial floods of the bayou. But on each acre, the trees probably take in as much carbon dioxide each year as a typical automobile puts out, according to the scientists at Louisiana Tech University who manage the project.

So while there are skeptics, this experiment in what scientists call the sequestration of carbon, if it can be replicated on a large scale, could represent a

significant weapon against the risk of global warming caused by manmade carbon dioxide and other greenhouse gases.

To stop carbon dioxide from reaching dangerous concentrations in the atmosphere may require people to shift away from fossil fuels, according to most of the experts advising the nations who have signed the international treaty to combat the problem. In the meantime, the world's forests represent an enormous reservoir for carbon dioxide, which is naturally removed from the air when trees and other photosynthetic organisms grow and multiply.

The role of trees in mitigating carbon dioxide emissions can be expanded further if they can be used as renewable fuels, offsetting the use of fossil fuels, if wood products substitute for energy-intensive products like steel, and if shade trees are planted in cities and neighborhoods, reducing the demand for air conditioning.

"The carbon problem is very huge," said Neil Sampson, a forestry consultant who has extensively studied the role of wood in fighting global warming. "It looks to us like trees and forestry can handle perhaps 30 percent of it. That is a significant role, if you don't expect it to be the only role."

Pilot studies suggest that it will cost just a few dollars per ton of carbon — estimates range from less than a dollar to more than \$30, depending on the circumstances — to increase the sequestration of carbon dioxide in trees by expanding the planet's total forested area.

That is considerably cheaper than the costs some economists have projected for controlling industrial emissions of carbon dioxide. And if the new protocol to the climate change treaty that was negotiated in Kyoto in December goes into force, and the United States sets up a market-based system for encouraging the least costly steps to reduce net emissions of carbon, growing trees could be one profitable path to the goal.

al warming, but who favor expanded logging on public lands, have been arguing that it makes the most environmental sense to cut down mature forests, which are no longer growing quickly, and replace them with vigorous saplings, which bulk up more quickly.

"Science has proven to us that carbon dioxide, the leading greenhouse gas, can be taken out of the atmosphere by properly managing our forests," said Representative Don Young, Republican of Alaska, the chairman of the House Resources Committee. "Carbon dioxide is kept out of the atmosphere by harvesting the forest before it begins to decompose or burn, thus storing the carbon in wood products that are environmentally friendly, as well as providing an economic benefit to society."

Other experts said that Mr. Young has oversimplified the situation. And indeed, the question of how best to use the world's forests to fight global warming has only begun to be addressed in detail.

At the Kyoto talks, where the world's industrial nations pledged to reduce net emissions of carbon dioxide and other greenhouse gases by an average 5 percent below 1990s levels over the next 10 to 15 years, they agreed to count additions and subtractions of carbon dioxide caused by "direct human-induced land use change and forestry activities, limited to afforestation, reforestation, and deforestation since 1990."

But they left to a specialized committee the task of setting up accounting rules, and there is likely to be scientific and political debate before important questions are settled. "If sequestration is done correctly, it can produce many benefits," said Michael Oppenheimer, a climate scientist at the Environmental Defense Fund, an advocacy

group based in New York. "It can enhance ecosystems and remove carbon dioxide from the atmosphere. But done poorly, it can make the greenhouse problem worse and do a lot of damage to the ecosystem."

Dan Becker, the head of climate programs at the Sierra Club, is more dismissive. "In order to offset U.S. industrial emissions, you would need to plant a new forest on an area the size of Australia," he said. "You are taking carbon that is safely sequestered underground, as coal or oil, and bringing it up, and adding it to the atmosphere. And then you are temporarily storing it in a closet made of trees. I am all for preserving forests, and I am against cutting down forests. But is it a good thing to pollute more because you have done that? No."

Mr. Becker and other skeptics said that it would be almost impossible to verify the amount of carbon being set aside in forests, especially if the projects are widespread and if international conservation programs are used to offset domestic emissions in the United States, as is already being ventured.

But Steven P. Hamburg, who teaches environmental studies at Brown University and has been closely involved in UN research into forestry's role in global warming, said that the difficulties of estimating the amount of sequestration are exaggerated.

"The bottom line is that we have been assessing the growth of forests for a century, and we have very well-established methods for doing it," he said. "We can measure with confidence the carbon in trees with an uncertainty of plus or minus 10 percent, without any difficulty."

IN BRIEF

Blood-Pressure Drugs and Suicide

LONDON (Reuters) — Calcium channel blocker drugs used to control high blood pressure and angina may cause depression and lead to suicide, Swedish doctors warn.

Dr. Arne Melander and colleagues at Malmö University Hospital in Sweden said two studies showed a significant correlation between the drugs that work by blocking calcium from entering cells and the incidence of suicide.

"Use of calcium channel blockers may increase risk of suicide," Dr. Melander said in a report published Friday in the British Medical Journal.

The researchers found a link between the drugs and suicide risk in a study of heart patients in 152 of Sweden's 284 municipalities. In a separate study that concentrated on one municipality, they discovered a five-fold increase in suicide in users of CCBs compared with people who took other anti-hypertensive drugs.

An Early Childhood Link to Obesity

CHICAGO (AP) — Children who reach the thinnest point of childhood before age 5 are more than twice as likely to become obese adults as children who lose their baby fat later, researchers say.

The finding held true regardless of whether parents were overweight, which is already known to be a strong indicator of a child's future size, according to a report in this month's issue of *Pediatrics*.

All children grow leaner after the first year of life until age 5 or 6, when they become fatter again, said researchers led by Dr. Robert Whitaker, a pediatrician at Children's Hospital Medical Center in Cincinnati, Ohio.

The age of greatest leanness is called "adiposity rebound," and researchers compared differing ages at which it occurred among 390 subjects who were tracked until they were 21 to 29 years old.

The finding has no immediate practical implication, Dr. Whitaker said. But more research could reveal strategies to help early rebounders avoid obesity.

A Genetic Fondness for Nicotine

HOUSTON (Reuters) — Smokers who cannot quit may have a gene that makes them enjoy the nicotine in tobacco too much, researchers have found.

That could explain why some people find it easier to stop smoking than others, said Margaret Spitz, chief of epidemiology at M.D. Anderson Cancer Center. The gene exists in about 10 percent of the general population and about 30 percent of smokers, based on a three-year study.

Eat Spicy Food, It's Good for You
Powerful Antibiotics in Every Bite

By Jane E. Brody
New York Times Service

NEW YORK — Choose any and all correct statements: People living in hot climates eat lots of highly seasoned foods because:

1. Hot spices cool them down by making them sweat.

2. Food spoils faster in hot climates and potent seasonings disguise the taste and smell of spoiled food.

3. Spices grow profusely in the tropics and it is cheaper and easier for people to eat what is locally available.

4. Spices provide important nutrients that might otherwise be in short supply in these areas.

5. Spices make foods taste better and increase consumption of nutritious but not necessarily appealing foods.

6. Pungent spices are natural preservatives that inhibit food spoilage.

If you choose any of the first four statements, logical as they may seem, two Cornell University researchers say you would be wrong. In a paper published in *The Quarterly Review of Biology*, Jennifer Billing and Paul W. Sherman argue that "some like it hot" because spice plants contain powerful antibiotic chemicals capable of killing or suppressing the bacteria and fungi that commonly contaminate and spoil foods and can poison those who eat them.

Spices that are prominent in traditional dishes from tropical and subtropical regions are used with a much lighter hand, if at all, in countries and regions where the climate is colder, the researchers found. And many of the spices that appear most often and most abundantly in recipes from hot climates — especially garlic, onion and hot peppers — can inhibit 75 percent to 100 percent of the bacteria species against which they have been tested, according to studies by food microbiologists.

The researchers concluded that a taste for spicy foods may have evolved in hot climates and been transmitted from neighbor to neighbor and to succeeding generations as a cultural "neme," the social science equivalent of a gene. While they admit that the immediate reason for using spices "obviously is to enhance food palatability," they added that "the ultimate reason is most likely that spices help cleanse foods of pathogens and thereby contribute to the health, longevity and reproductive success of people who find their flavors enjoyable."

George Williams, the editor of the journal, said that transmission of a taste for highly spiced food is both cultural and genetic and can begin in the womb. He cited studies by Sandra Gray at the University of Kansas showing that "the mother's diet during pregnancy and lactation can influence the dietary habits of her baby throughout its life."

Of course, Dr. Sherman said in an interview, people have other ways than spices of preserving food — by salting, cooking, smoking, or drying it, and now by refrigerating or freezing it. But he believes the contribution of spices, all of which come from plants, had not previously been adequately explored or appreciated. He pointed out that many spice plants are rich in compounds that have antimicrobial actions. These compounds evolved in plants as protection against pathogens and predators.

Thomas Eisner, professor of chemical ecology at Cornell who has studied how animals use plant chemicals, said,

"Many plant metabolites have antimicrobial potency. The use of antibiotics from natural sources is by no means a human invention." For example, he said, an assassin bug he has studied scrapes resin from the leaves of camphor weed and spreads it on her eggs to protect them from pathogens.

Dr. Sherman, an evolutionary behaviorist and professor of neurology and behavior, and Ms. Billing, then an undergraduate at Cornell, analyzed the frequency with which various spices appear in the traditional recipes of 36 countries, including the northern and southern halves of the United States and China.

In the analysis of 4,578 recipes containing meat, poultry or fish published in 93 traditional cookbooks, Ms. Billing found that the hotter the climate of the region, the more spices were called for in the recipes. Especially prominent were spices like onion and garlic that have been shown to inhibit the growth of all 30 microorganisms considered in the study. Capsicums, or hot peppers, which are widely used in hot climates, inhibit the growth of 80 percent of microorganisms considered.

For example, among 120 recipes from Indonesia, 80 percent contained garlic and onion and 77 percent contained capsicums. However, in Ireland, a considerably cooler country, onions appeared in 56 percent, garlic in 23 percent, and capsicums in only 2 percent of 90 recipes analyzed, even though the plants can grow there.

In India, more than 80 percent of Indian recipes were prepared with onions, ginger, and capsicums and 76 percent called for garlic. But in Norway, the only prominent seasonings were black and white pepper, used in less than half the recipes. Onion appeared in only 20 percent of recipes and capsicums were not found in any of the 77 traditional recipes analyzed.

LIKEWISE, there are spice use differences within countries with significant regional temperature differences: the northern and southern United States and northeastern and southwestern China. Dr. Sherman suggested that antimicrobial activity may explain why a relatively bland milk-based clam chowder became popular in New England while a spicier crawfish étouffée is preferred in the Deep South. "I consider recipes a record of the cultural co-evolutionary race between us and microbes," Dr. Sherman said. "We are trying to keep ahead of the microbes that are trying to eat the same foods we eat."

He outlined a likely scenario for the evolution of highly spiced foods to countries where food-borne microbes thrive: "The first spice is added and it has a positive effect. Then a second microbe comes along and another spice is added, which has a positive effect, and so on, until a lot of spices are being used, but not so many that there are negative consequences."

He also noted that many spices that themselves have relatively weak antibiotic effects become much more potent when combined, for example, in chili powder (typically a mixture of red pepper, onion, paprika, garlic, cumin, and oregano) and five-spice powder (pepper, cinnamon, anise, fennel and cloves). Further support of their argument, Dr. Sherman and Ms. Billing noted that "flavors of many widely used spices are not immediately appealing." Rather, people have to learn to like them.

Depression Is a Family Affair

Both Nature and Nurture Are Possible Factors

By Jane E. Brody
New York Times Service

NEW YORK — Depression is a family affair, in more ways than one. Not only does depression in one family member affect everyone else, depression in one or both parents greatly increases the risk that their children will also become depressed or develop other emotional disorders.

This familial vulnerability may result from the inappropriate actions of a depressed parent or from an inherited abnormality in brain chemistry, or both. Regardless of the cause, physicians and families need to be alert to the possibility that depression and related mental illnesses will persist across generations and that failure to recognize and treat them can result in serious school, social and vocational problems.

About 2 percent of children and 5 percent of adolescents are affected by a serious depressive disorder. Although it has long been known that the children of depressed parents are at greater than average risk of becoming depressed, the extent of this risk had not been documented in a large, long-term study until Dr. Myrna Weissman and her colleagues at the College of Physicians and Surgeons of Columbia University published the results of a groundbreaking 10-year study last fall.

In 65 of the 91 families studied, one or both parents had been treated for depression at the Yale University Depression Research Unit in New Haven, Conn. The other 26 were part of a long-term community study; no parents in this comparison group had a history of psychiatric illness.

The children, then aged 6 through 23, in both sets of families were interviewed initially, then 2 years later and again

after 10 years by psychiatric professionals who did not know the mental health of the parents or their offspring. What they found was a frighteningly higher risk of depression and other problems in the children of depressed parents.

"The offspring of depressed parents are at high risk for depression, anxiety disorders and substance abuse," Dr. Weissman and her colleagues concluded in their report in *The Archives of General Psychiatry*. In an interview she added, "While obviously there are some children who escape, having a depressed parent is a risk factor for a child, and if both parents are depressed, the risk is even higher." Also, the children of depressed parents are likely to develop depression and anxiety disorders sooner than the children of nondepressed parents.

Compared with the children of parents who were not depressed, 10 years down the line the children of depressed parents were three times as likely to have developed major depression; had three times the risk of phobias; and five times the risk of panic disorders and alcohol or drug abuse. These children were more likely to function poorly in school, at work and in marriage.

In addition, the children of depressed parents recovered more slowly from depressed episodes and their depressions were more likely to recur. For reasons that the researchers can only guess at, the depressed children of depressed parents also were less likely than the depressed children of nondepressed parents to seek treatment for their problems.

The symptoms of depression in school-age children are not much different from those in adults. They may include a change in appetite or weight or sleep habits (insomnia, excessive sleeping or difficulty getting up in the morning); a loss of interest in or pleasure from

activities that used to be enjoyable; a loss of energy or chronic fatigue; abnormally agitated or slowed behavior; feelings of worthlessness or inappropriate guilt; indecision or difficulty concentrating; and recurrent thoughts of death or suicidal thoughts or gestures.

In addition, a previously normal youngster might develop antisocial behavior, violent outbursts, extreme irritability or loss of self-control. Or the child may skip school, drop out of clubs or sports or lose interest in friends or hobbies. In some youngsters, depression is expressed in physical symptoms like stomachaches and headaches. "If such symptoms are not just a passing thing — the result, perhaps, of disliking a particular teacher or breaking up with a boyfriend — if they go on for several weeks, it's time to pay attention to them," Dr. Weissman said. "They might be an indication of depression."

PHOBIAS and separation anxiety were also a serious and often disabling problem among the offspring of depressed parents, and they tended to develop at an earlier age in these children, especially in girls. Often these anxiety disorders are a prelude to depression. Dr. Weissman noted that a lot of children have phobias as a normal part of growing up. But she said if the phobias persist and interfere with life, they should be considered a disorder that warrants treatment.

In their report, Dr. Weissman and her colleagues urged pediatricians and family physicians to be alert to familial emotional problems. "When an adolescent presents with depressive symptoms, it's important to ask about the psychological status of the parents," they wrote. "Likewise, physicians should ask depressed parents about their children."

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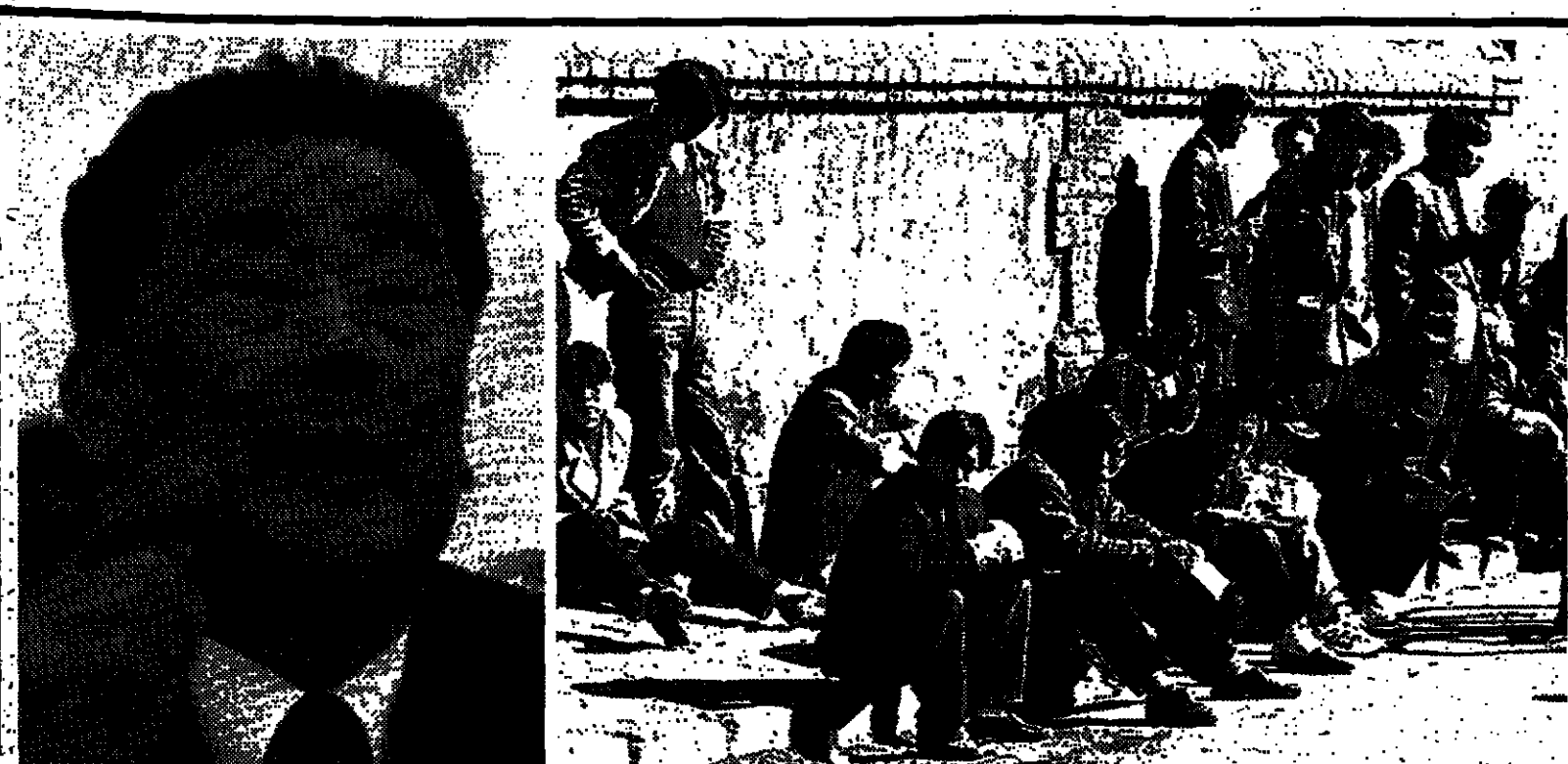
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Labor Minister Li Boyong speaking on unemployment Sunday in Beijing, where street job markets have sprung up as state firms lay off workers.

China Tallies Domestic Damage From Asian Turmoil

By Steven Mufson
Washington Post Service

BEIJING — The Asian financial crisis could slash foreign direct investment in China by a third, hurt China's exports and slow the growth of its foreign exchange reserves, according to the central bank governor, Dai Xianglong.

But Mr. Dai said Saturday that he thought China could maintain a modest trade surplus, increase total investment by about 15 percent and meet this year's economic growth target of 8 percent.

"China has not been seriously affected," President Jiang Zemin was quoted as saying in the China Daily. "But we should have a correct understanding

of the situation. We should not underestimate its negative impact on our economy."

Mr. Dai gave Beijing's first official assessment of the damage done by the financial turmoil in Asia, which previously provided most of the investment to China and bought many of China's goods.

The central banker said that foreign direct investment would exceed \$30 billion. That would be down sharply from \$45 billion in 1997.

He added that he was "not overly optimistic" about exports this year but that growth of 8 percent to 10 percent was "entirely achievable." Chinese exports soared 20.9 percent in 1997.

Mr. Dai said China was expected to register a slight trade surplus or balanced foreign trade in 1998.

China registered a surplus of \$40.3 billion in 1997 on exports of \$182.7 billion and imports of \$142.4 billion.

Foreign exchange reserves were essentially flat for the first two months of this year, edging up to \$140.3 billion at the end of February from \$139.9 billion at the end of December. During 1997, reserves grew by \$34.9 billion.

Mr. Dai said that China would ease reserve requirements for banks, encourage greater lending and ease limits on private debt financing of infrastructure projects in an effort to meet the 8 percent economic growth target.

See CHINA, Page 15

Foreigners Look for Deals in Korea but Hold Back

By Don Kirk
International Herald Tribune

SEOUL — Foreigners are window-shopping among a cornucopia of South Korean companies, from motor vehicle manufacturers to chemical giants to high-tech spinoffs, but hesitate on the brink of buying.

The biggest question investors have is how much the rules have changed in South Korea, where total foreign investment before the onset of the economic crisis last fall totaled \$26 billion, a relative pittance in a society with a gross national product approaching \$500 billion a year.

"Not enough to encourage foreign investors," said Eugene Chang, a lawyer in Seoul. "Most of the deals done so far involve parties who have known each other for a long time, often as joint-venture partners."

Foreign investors, along with their lawyers and consultants, say that bureaucratic prejudices and regulations are changing slowly in South Korea. But the urgent need for a massive infusion of foreign currency, along with the sudden devaluation of the Korean won to half

its previous value, has given South Korean business leaders, who are often reflexively suspicious of foreigners, little choice but to entertain offers.

As part of its \$60 billion bailout package, the International Monetary Fund laid out guidelines last December for how South Korea should revamp its economy, including opening the country to foreign investment on a scale unimaginable here.

"There's been an unprecedented surge of interest," said Tom Fininsky, an attorney who advises foreign companies on doing business in this closed society. "I swear I've never seen anything like it. There's a whole lot of companies that have a whole lot of questions."

One reason for the flurry of excitement is that South Korea's chaebol, or conglomerates, appear anxious to shed some of their lesser entities while rallying resources around a few core companies.

With the banks, in an era of what is called "IMF supervision," no longer extending the easy credit on which the chaebol relied for nonstop expansion, the chaebol have begun to sell companies overseas and are expected to soon be selling off in South Korea as well.

"People who are just looking now,"

said one investor, "will be buying something by the end of the year."

That may be just about enough time for the boldest investors to exploit the discounts now on the market, in the view of Robert Broadfoot, managing director of Political and Economic Risk Consultancy of Hong Kong.

"This is a terrific opportunity," said Mr. Broadfoot. "There's never been a better time."

So far, though, the "big deal" that South Koreans keep talking about, in the media, in panel discussions, and seminars, has not taken place.

General Motors Corp. is negotiating with Daewoo Motor Co. Kia Motors, teetering on the edge of bankruptcy, has said it would welcome help from any foreign manufacturer. Ford Motor Co. is believed to be talking to both Kia, in which it already has a 9 percent stake, and Samsung Motor Co., which is scheduled to produce its first car for the market on March 23 and may count on taking over Kia as part of its game plan for survival.

A decline of more than 60 percent in domestic motor vehicle sales means that the prospects for a major deal are just as hot in the field of oil.

Foreign investors, previously limited to 50 percent ownership of companies in the energy field, will be able to own up to 55 percent as of next month and may eventually bid for as much as 100 percent if the new government of President Kim Dae Jung sees no alternative to rescuing hard-hit companies.

CYBERSCAPE

Psion Struggles to Fend Off Microsoft

Bloomberg News

LONDON — Psion PLC, maker of the world's most advanced hand-held computers, may be about to learn a lesson that drove Apple Computer Inc. to the brink: having the best technology does not guarantee success, especially if you are competing against Microsoft Corp.

Psion's Series 5, introduced in June, marked a quantum leap in the industry. Its laptop-style keyboard, touch-sensitive screen and dictating capabilities offered a desktop computer's power and performance, yet was small enough to fit into a shirt pocket.

Consumers responded by buying the Series 5 faster than Psion could deliver them, and only now — 200,000 units later — is production catching up to demand. Still, problems are mounting, with 3Com Corp.'s PalmPilot firmly established as



Psion's Series 5 hand-held computer.

the U.S. market leader, and the introduction of machines based on Microsoft's Windows CE 2.0 operating system further cluttering the market.

"Although Psion has very strong market positions in the U.K. and Europe, they don't have a bridgehead in the key U.S. market," said Philip Harris, a fund manager at Albert E. Sharp and a former Psion shareholder. "We feel Microsoft, with the new Windows CE, will take over the market in the next few years."

Although sales of the Windows CE machines — produced by Compaq Computer Corp., Hewlett-Packard Co. and Philips Electronics NV — so far have not met expectations, they have crowded the market and made consumers think twice about buying products running on an different platform.

"While we feel that we are very well positioned with our new technology, we are concerned by the state of the market, which has been disrupted by the introduction of the Win CE platform," said David Potter, the Psion chairman and chief executive.

Meanwhile, the PalmPilot has hit a chord with U.S. consumers. A slimmed-down electronic organizer that sells for \$249 — or about half the price of the Series 5 model.

While the hand-held computer market has taken off in the past two years, Psion's profit has not followed. The company this week said 1997 net income fell 25 percent, to \$2.7 million (\$12.6 million), as the strong pound made its exports more expensive. That means Psion's earnings are little changed from 1995, even though the company's sales rose 57 percent over that period. Adding to analysts' concern, Psion said it was "cautious on the immediate outlook." On Friday, Psion's shares fell 6.5 percent, to 306. Overall, the shares declined 27 percent last week.

"The future looks bleak," said Keith Woolcock, an analyst at Merrill Lynch International Ltd.

Apple was squeezed out of the mass market by personal computers running on Windows after it declined to license its Macintosh operating system. Analysts worry that Psion also has missed the opportunity to make its operating system the industry standard. Psion last year named Philips Electronics as the first licensee of its EPOC32 system and said it had licensed the system to another "major global" company.

Mr. Harris said that while Psion was likely to remain market leader in Europe for the next few years, in the long-term, it will be hard-pressed to fend off the competition, he said. Like Apple, Psion has "a superior product, but not the marketing muscle of Microsoft," he said. "At the end of the day, the Microsoft juggernaut will roll over them."

Internet address: CyberScape@iht.com

CURRENCY RATES

Cross Rates	March 8
Australian dollar	1.5325
British pound	1.6172
Canadian dollar	1.2825
French franc	163.36
German mark	1.3636
Italian lira	2036.27
Japanese yen	147.90
Netherlands guilder	1.3636
New Zealand dollar	1.2825
Portuguese escudo	200.48
Spanish peseta	166.64
Swedish krona	8.4660
Swiss franc	1.4753
Taiwan dollar	35.4800
Thai baht	54.8000
U.S. dollar	1.6172
Yuan renminbi	8.2750

Forward Rates	30-day	60-day	90-day
Australian dollar	1.5325	1.5325	1.5325
British pound	1.6172	1.6172	1.6172
Canadian dollar	1.2825	1.2825	1.2825
French franc	163.36	163.36	163.36
German mark	1.3636	1.3636	1.3636
Italian lira	2036.27	2036.27	2036.27
Japanese yen	147.90	147.90	147.90
Netherlands guilder	1.3636	1.3636	1.3636
New Zealand dollar	1.2825	1.2825	1.2825
Portuguese escudo	200.48	200.48	200.48
Spanish peseta	166.64	166.64	166.64
Swedish krona	8.4660	8.4660	8.4660
Swiss franc	1.4753	1.4753	1.4753
Taiwan dollar	35.4800	35.4800	35.4800
Thai baht	54.8000	54.8000	54.8000
U.S. dollar	1.6172	1.6172	1.6172
Yuan renminbi	8.2750	8.2750	8.2750

Sources: IFC Bank (Amsterdam), Citicorp Bank (New York), Bank of America (New York), Citicorp Bank (London), Citicorp Bank (Tokyo), Citicorp Bank (Sydney), Citicorp Bank (Hong Kong), Citicorp Bank (Singapore), Citicorp Bank (Manila), Citicorp Bank (Cebu), Citicorp Bank (Iloilo), Citicorp Bank (Davao), Citicorp Bank (Zamboanga), Citicorp Bank (Cagayan de Oro), Citicorp Bank (Butuan), Citicorp Bank (Tarlac), Citicorp Bank (Pangasinan), Citicorp Bank (Ilocos Norte), Citicorp Bank (Ilocos Sur), Citicorp Bank (Bataan), Citicorp Bank (Pampanga), Citicorp Bank (Tulagan), Citicorp Bank (Zambales), Citicorp Bank (Aklan), Citicorp Bank (Iloilo), Citicorp Bank (Davao), Citicorp Bank (Zamboanga), Citicorp Bank (Cagayan de Oro), Citicorp Bank (Butuan), Citicorp Bank (Tarlac), Citicorp Bank (Pangasinan), Citicorp Bank (Ilocos Norte), Citicorp Bank (Ilocos Sur), Citicorp Bank (Bataan), Citicorp Bank (Pampanga), Citicorp Bank (Tulagan), Citicorp Bank (Zambales), Citicorp Bank (Aklan), Citicorp Bank 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CAPITAL MARKETS ON MONDAY

Different Tunes, Same Key: Dollar and Bond Traders Are Both Bullish

By Carl Gewirtz
International Herald Tribune

PARIS — The dollar and dollar-bond markets appear to be marching to different tunes.

The currency rallied on news that should have hurt bonds, but bond prices recovered on expectations of slowing growth and inflation and on reduced supply in coming weeks.

The increase in February U.S. employment, average work week and average hourly earnings should mean continued rapid growth, upward pressure on inflation and — sooner rather than later — an increase in short-term interest rates by the Federal Reserve Board that would make holding dollars more attractive.

The dollar, already buoyed by mid-week surprise comments from a member of the Bundesbank council that German

interest rates could fall despite preparations for monetary union, finished trading barely one penny away from the year's high of 1.8438 Deutsche marks.

Although the foreign-exchange market was rattled by reports that the German, French and Italian central banks were selling dollars, traders said these were commercial sales not intended to stop the rise of the dollar.

In any event, given the widening spread in the dollar's favor between long-term U.S. and German interest rates, analysts say only a change in European monetary policy could weaken the dollar at this point.

The major constraint on the dollar, many analysts agree, is uncertainty about events in Japan. The Bank of Japan is flooding its domestic market with liquidity to ease pressure on money market rates in the run-up to the end of the fiscal

year on March 31. Normally, this would weaken the yen, but the weakness has only been moderate as officials continue to hint at upcoming changes in fiscal policy aimed at reviving the economy.

If such measures appear, the yen could rebound sharply. But if such measures remain only promises, the yen could sink dramatically in the new fiscal year — giving the dollar a boost across the board. The dollar ended the week at 127.83 yen, nearly 7 yen below its high for the year, set in early January.

Meanwhile, the prevailing view in the bond market was that February's employment data are backward looking and fail to capture the impending U.S. slowdown that will be driven by the flood of low-cost imports from Asia. The flood has yet to happen. But with the Treasury expected to pay down more than \$70 billion in debt during the

second quarter, analysts note that potential supply conditions make for a very favorable outlook.

The World Bank this week is expected to launch a five-year global bond that could total up to \$5 billion. The paper was being pre-marketed with talk of pricing to yield between 12 and 15 basis points, or hundreds of a percentage point, over comparable dated Treasury notes.

Last week, Federal National Mortgage Association, or Fannie Mae, issued \$4 billion of three-year notes at a spread of 11 basis points over Treasury rates. Just over two-thirds of the issue was sold in the United States, with 20 percent taken in Europe and 12 percent in Asia.

Mexico also tapped the global market, offering \$1 billion of 10-year notes at a spread of 288 basis points over Treasury levels. A third was sold in Europe, 13 percent in Latin America and

4 percent in Asia, with the remaining 50 percent sold in North America. Underwriters said the issue was two times oversubscribed, and it ended the week trading at a spread of 286 basis points.

But underwriters warned against reading too much into the success of the issue. "This is Mexico-specific and not a general reflection on emerging-market paper," one banker close to the deal said. He said Mexico intended to borrow only \$1.5 billion this year, giving it some rarity value in the new-issue market.

Also benefiting from rarity value, Procter & Gamble sold \$500 million of five-year notes at a spread of 30 basis points over the reference rate.

It had started out aiming for \$300 million at a spread of up to 35 basis points, but terms were modified in response to heavy demand. The notes

ended the week trading at a spread of 28 basis points.

Investors See a Euro Dividend

The adoption of a single currency in Europe will help expand the region's fledgling corporate, municipal and asset-backed bond markets, and offer new opportunities for U.S. investors, speakers said at the Bond Market Association's annual meeting, Bloomberg News reported from Boca Raton, Florida.

The euro, which is expected to be adopted by 11 nations on Jan. 1, will also create a European government bond market that will rival the size of the U.S. Treasury market, speakers said.

"The euro will provide us with a broad, liquid, large market," said Clifford Damers, chief of the International Primary Market Association.

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending March 6. Prices supplied by Telekurs.

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Bargain Hunters Bet on Turnaround

NEW YORK — Last week, bond investors got the biggest dose of bad news they've had in weeks, but a growing number were still turning bullish.

The Labor Department said Friday the economy added new jobs at a stronger-than-anticipated pace for a fourth consecutive month in February, although the robust growth was not

spurring inflation.

"It's a little bit of a sign of relief," said Joseph Conners, at Beneficial Savings Bank in Philadelphia. "We continue to have strong growth and low inflation."

Investors were bracing for the worst. Yields on benchmark 30-year U.S. Treasury bonds climbed 20 basis points in the past three weeks as the economy exhibited few signs of slowing and comments by Federal Reserve

Board Chairman Alan Greenspan quashed expectations for a cut in interest rates anytime soon.

The benchmark 30-year Treasury bond closed Friday at a yield of 6.02 percent, up from 5.92 percent last week.

"Real bond yields are attractive right now," said Charles Reinhard, market strategist at ABN Amro Chicago Corp. The possibility that growth may slow later in the year, pushing the inflation rate even lower, also raises the allure of bonds, traders said.

Yet reports have provided little evidence to suggest the economy is losing steam. Signs of strength, together with waning expectations for a Fed interest-rate cut, sent bonds lower in recent weeks.

Yields on 30-year bonds fell to 5.66 percent in January, the lowest since the government began regular sales in 1977, as speculation grew that the crisis in Asia would prompt the Fed to cut interest rates.

Even with the Friday employment report seeming to bolster the argument of vibrant growth, investors were still able to point to evidence supporting the alternate scenario.

"The ray of hope in the report was in the manufacturing sector, which didn't gain any jobs," said Mark Hemenet of Bank of New York. That is where the anticipated slowdown in demand is likely to be felt the most.

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Both Bullish

Any Lessons Learned in Asia Crisis? Not Enough, Fears BIS

By Carl Gewirtz
International Herald Tribune

PARIS — Has anybody learned anything from the financial crisis in Asia?

That is one question the Bank for International Settlements asks in its first in-depth analysis of that crisis, and the fact that the question is asked at all suggests that it should be answered in the negative.

The bank's assessment that "questions can be raised concerning the lessons that have been drawn from the recent events" is not an integral part of its quarterly report on International Banking and Financial Market Developments issued over the weekend, but it is contained in the accompanying press summary. When asked to explain this, an official said the observation was made after the report had been completed but before it had been distributed.

Stung by criticisms that neither its 20

dense tables of international banking data published quarterly nor its repeated warnings about underpricing of risks in banking and securities operations had adequately signaled the approach of a crisis, the BIS tried raising the tone, questioning the "rapid return" to the Asian developing countries at "narrowing" risk premiums "in the absence of improvements in external financial indicators in many of these countries, particularly given the anticipated impact of the Asian crisis." The bank did not name the countries to which it was referring.

The report itself concluded that "existing financial infrastructure and regulatory arrangements need to be adjusted to better reflect the concentration and globalization of markets." But it did not mention specific measures.

The report stated that the Asian crisis "served as a painful reminder of the growing intertwining between markets,

as well as of the complexity of linkages." Describing these, it noted that investors who "had borrowed in offshore dollars or yen to finance investments in emerging market securities were faced with margin calls and had to liquidate securities in less affected markets to cover losses."

"Such transactions contributed to the transmission of the crisis to areas that had maintained stronger fundamentals. In addition, reports that Korean banks and institutional investors faced heavy losses on assets booked elsewhere in Asia, or even in Latin America and Eastern Europe, show that investment in emerging market securities can no longer be assumed to be flowing solely from traditional mature economies."

Although the report details bank lending only through the third quarter of last year, it noted that fourth-quarter activity in the syndicated loan market rose some 16 percent — and this at a time when activity in the international

bond market was already contracting sharply in reaction to the turmoil in Asia.

Data for the third quarter showed that bank lending to Asia declined for the first time in six years. But the regional decline was concentrated in Thailand, where lending fell \$10.4 billion, and South Korea, where it fell \$2 billion. Bank exposure to China rose \$5 billion and to Indonesia by \$3 billion.

The report noted that the turmoil in Asian currency and equity markets spurred greater reliance on secured lending in the international market, "which may have acted as a buffer against contagion outside Asia."

By the BIS measure, the international bond market registered a 10 percent increase last year, to \$963 billion in new issues. Financial institutions accounted for two thirds of the increase.

A special section in the report on trading of emerging currencies concluded that the U.S. dollar remains dom-

inant in most of the local trading of domestic currencies even though the role of the United States in the world economy has declined.

The study said the yen played a minor role in foreign exchange trading in Bombay, Seoul, Taipei and Bangkok, where it never reaches more than 5 percent of local trading against the domestic currency.

Only in trading against the Czech koruna is the dollar relegated to second place — by the Deutsche mark.

The study said that for every 1 percent appreciation of the dollar against either the mark or the yen, the currencies in Peru, Colombia, Israel, Saudi Arabia and South Africa move by less than 0.25 percent.

The mark plays an important role in currency movements only in Eastern Europe and Turkey, where currencies share between 30 percent to 70 percent of every movement of the dollar against the mark.

World's Economy Not Derailed by Asia, Ifo Asserts

Reuters

MUNICH — The worldwide economic climate has cooled off a little under pressure from the Asian financial crisis, Germany's Ifo Institute for Economic Research said in a survey published Sunday.

But the situation was still positive, the Ifo analysis said, adding that Southeast Asia had been affected the most. A sustained spillover of the crisis into emerging markets in Latin America and Eastern Europe was seen as unlikely.

In Western Europe, the foremost problem remained unemployment, while in Germany, trust in economic policies had fallen still further, Ifo said.

The institute said it did not expect an end to Asia's troubles in the near future, with Thailand, Malaysia, Indonesia and South Korea hardest hit by the turmoil. For these countries, the assessment of economic prospects was now considerably worse, Ifo said.

Although problems in the region had already provoked turbulence in international financial markets, experts did not see any serious danger that they would spread to other areas of the world.

In Western Europe, the economic climate remains favorable, the institute said, while in the United States, a "healing" deceleration of growth is in the offing for the next few months.

Ifo said that it still did not see a recovery in Japan for the first half of this year. Trust in the stability of the Japanese financial system had been severely disrupted.

Forecasts of 1 percent growth for Japan this year were seen as realistic.

In general, experts surveyed by Ifo judged the underlying conditions of global financial markets to be positive. Price developments should be moderate, short-term interest rates would remain stable and the dollar would stay strong, they said.

Japan's Ruling Party Urges Big Package to Spur Economy

Compiled by Our Staff From Dispatches

TOKYO — Japan's ruling Liberal Democratic Party wants a package worth more than 10 trillion yen (\$78.2 billion) in place some time after April to help revive the economy, Taku Yamazaki, the party's chief policy planner, said Sunday.

Mr. Yamazaki, who heads the policy research council of the Liberal Democratic Party, said, "We will now carry out in a big way a comprehensive economic package after the series of measures we have already taken."

The package, to be formed after Parliament's approval of the full state budget for the next fiscal year starting in April, should feature public works projects to be funded by construction bonds, Mr. Yamazaki said.

A dominant view within the party is that the project should exceed 10 trillion yen, and I would like to respect the view within the party," Mr. Yamazaki said on a television news show.

Mr. Yamazaki has suggested recently various economic stimulus measures, including the use of postal funds to shore up share prices.

Last week, the LDP was reported to be considering drawing up a supplementary budget worth 6 trillion yen for the next fiscal year to finance additional public works.

The party has faced repeated calls by opposition parties to bring in permanent income-tax cuts. Prime Minister Ryutaro Hashimoto implemented a one-off, 2-trillion-yen cut in income tax earlier this year.

Japan's economic doldrums have been widely blamed on a rise in the consumption tax and an end to special income-tax cuts last year.

The United States and Europe have made strident calls for Japan to bolster domestic demand to help the domestic economy, provide support for Asia and avert further rises in Japan's huge trade surplus. (Reuters, AFP)

Singapore Red Tape Is Shorter, Poll Finds

Reuters

SINGAPORE — Asian red tape has lost some stick, but bureaucracy is still high and will hamper the region's recovery from economic crisis, Political and Economic Risk Consultancy Ltd. said Sunday.

"Unless the bureaucrats in individual Asian countries change their ways, the restructuring process that is currently under way will not be substantive enough to get their countries back on track," the research firm said in a report issued in Singapore.

Singapore topped its survey as having the most efficient bureaucracy in Asia and possibly the world, with Hong Kong dropping to second place.

Hong Kong's reputation for being the region's easiest place to do business slipped, possibly because many civil servants were leaving ahead of the territory's return to Chinese rule, the survey of 300 executives in the region found.

American Business Ogles Cuba

50 Executives Given the Red Carpet Treatment in Havana

The Associated Press

HAVANA — Decaying housing, rusting cranes, depleted pharmacies — the scenes that greeted American executives visiting Cuba this weekend were of business opportunities they cannot touch.

More than 50 American business executives spent Friday in Cuba as part of a conference carefully designed to avoid spending money in the Communist island, which would be a violation of the 37-year-old U.S. trade embargo.

Cuba rolled out a revolutionary red carpet: President Fidel Castro, Vice President Carlos Lage, and the ministers of economy, tourism and foreign investment came to meet the visitors — a demonstration of how seriously Cuba takes chances to put its case to American business.

Cuba paid for the group's 14-hour stay in Cuba, a cost Castro called "a strategic investment." The first day of the event, which cost participants almost \$3,000 each, was held in Mexico. "We're here to take a look-see at the

Cuban market, should it open up," said W. Bradford Gary, a board member of the Medical Device Manufacturers Association, which represents 160 American companies.

"If there is indeed a market that will open up, American companies will want a shot at it," he said.

Participants included executives from companies whose oil refineries were confiscated by Cuba in 1960 and grain exporters who lost hundreds of millions of dollars in sales to foreign competitors when the U.S. embargo was tightened in 1992.

The conference organizers are also promoters of a business-backed bill before the U.S. Congress that would ease the embargo by allowing unrestricted sales of food and medical supplies.

The bill is opposed by anti-Castro organizations who fear it may weaken the embargo. But it is supported by leaders of the U.S. Chamber of Commerce, the National Council of Churches and former senior officials of Democratic and Republican administrations.

CHINA: Domestic Cost of Asian Turmoil Tallied

Continued from Page 13

Especially after the Asian financial crisis, China has all the reason to expand domestic demand and exploit its domestic market," he said.

Mr. Jiang was quoted as saying: "We should be confident that we can fend off the crisis, consolidate the current good situation at home and seek further development as long as we follow the principles decided by the central authorities." His comments were said to have been made Friday at a closed-door session at the National People's Congress.

■ Beijing May List Ministry Spin-Offs

Beijing will allow more companies operating under government ministries to seek independence from their parents and list shares, a top official said Sunday, news agencies reported.

The move underlined China's determination to press ahead with plans to build large-scale enterprises, despite the negative experiences of South Korea's conglomerates.

"While we are going to learn in real earnest the lessons from the South Korean cases, our overall plan on amalgamating enterprise groups will not be affected," said Chen Qingtai, deputy minister of the State Economic and Trade Commission.

"We believe that we will have a smooth process of establishing enterprise groups in China," he said.

A key part of China's reform of its state-owned enterprises is to build up large enterprise groups like the chaebol that led South Korea's industrial drive since the early 1960s.

But the chaebol, which were nurtured on special loans and relationships with former governments, are held largely responsible for South Korea's economic crisis because they expanded blindly on heavy borrowing.

"In some key sectors and fields, it is necessary for China to establish very large enterprises or enterprise groups in order to develop an economy of scale," Mr. Chen said.

CHINA: Huge Layoffs

Continued from Page 1

China said Friday that it would dissolve 15 ministries or commissions this year to trim the bloated bureaucracy and make the government more attuned to a market economy.

"The most important objective in this round of government reorganization is to separate government administration from enterprise management," Mr. Chen said.

"The government reform will take ministries that originally managed enterprises, retain their administrative functions and make them bureaus under the State Economic and Trade Commission," he added.

Ministries being cut include those responsible for coal power, metallurgy, machine building, electronics production, chemicals, internal trade, posts and telecommunications, labor, radio, film and television, geology and mineral resources and forestry.

"In this way, enterprises can become independent legal entities and enter the market," Mr. Chen said. "Those state enterprises that meet requirements can gradually list."

He gave no further details of how or when such companies would list shares. Analysts said the bulk were destined for the domestic currency A-share market, which is traded by local investors.

"Many of these entities will list on China's A-share market," said Bruce Richardson, chief representative for ABN-AMRO Asia in Shanghai. "Those that want to list B shares will find that investors will be much more choosy than in the past."

B shares are technically reserved for foreign investors.

Mr. Chen said the government would still be allowed to inspect companies spun off from ministries as their owners, but operations would fall into the hands of professional managers.

"We've been talking about the separation of government administration from enterprise management for more than 10 years," Mr. Chen said. "Some progress has been made, but basically the question has not been resolved." (Reuters, AFP)

JAPAN: Entrepreneurs Wanted

Continued from Page 1

fear the country is losing ground in an emerging global economy that will increasingly reward creativity, flexibility and entrepreneurship, which is a rarity here.

Japan is grappling with ways to inspire entrepreneurship in a society that looks askance at those who venture out alone. But the campaign to create individuals in the most communitarian of societies — and nurture risk takers in an exceedingly risk-averse nation — faces huge obstacles.

Still, it is not as though Japan has never had entrepreneurs. Many of today's giant companies were founded by brave people like Akio Morita and Masaru Iwata, who started making tape recorders and transistor radios in an enterprise that became Sony Corp.

But these days, corporate life is so comfortable that risk-taking is an alien idea. The Japanese still regard individualism with suspicion — the word for it, *kajin shugi*, is sometimes used pejoratively to connote selfishness.

Scholars partly attribute the problem to the education system, with its rigid hierarchy and emphasis on memorization. Such an approach has made society more attuned to disciplined assembly lines than to more creative activities, said Masaru Yoshitomi, a prominent economist at the LTCB Research Institute.

"The paradigm has been

SHORT COVER

Tietmeyer Refutes Accusations

FRANKFURT (Bloomberg) — Hans Tietmeyer, the president of the Bundesbank, has rebutted accusations by Der Spiegel magazine that he and the bank's chief economist, Oskar Issing, engaged in improper government bond transactions.

Der Spiegel claims in Monday's edition that an asset manager bought five-year notes worth 1 million Deutsche marks (\$546,000) on credit for Mr. Tietmeyer when he was bank vice president in 1992. At that time, according to the magazine, it was clear within the Bundesbank that interest rates would fall and the price of the notes would rise.

"The asset manager neither directly nor indirectly received any information about the intentions of the Bundesbank," Mr. Tietmeyer said Saturday. He added that neither he nor Mr. Issing had had any contact with the asset manager and that as a result, no insider information was used in the purchase.

Lufthansa Gets a Japanese Partner

BERLIN (Combined Dispatches) — Deutsche Lufthansa AG said Sunday it was forming an alliance with All Nippon Airways Co. of Japan.

The carriers will link their frequent-flyer programs from May 1, and will operate many flights as if they were a single airline, an arrangement known as code-sharing, later this year.

Lufthansa also said on Sunday that it was planning to create more than 3,500 new jobs this year. (Bloomberg, Reuters)

Paris Optimistic on Jobless Total

PARIS (Reuters) — Finance Minister Dominique Strauss-Kahn of France said Sunday he expected unemployment rolls to be under 3 million by the end of the year because of economic growth and rising youth employment.

France's unemployment rate stands at 12.1 percent, with 3,033,700 registered as jobless.

Saudi Arabia to Skip OPEC Meeting

RIYADH (Bloomberg) — Saudi Arabia will not attend an Organization of Petroleum Exporting Countries meeting next week because Venezuela does not plan to attend and the cartel cannot act to lift prices without all members present, a person familiar with the government's plans said.

OIL: Equatorial Africa's Reserves Fuel Rush by Foreign Firms

Continued from Page 1

The geological evolution of this region has produced a fortuitous combination of all the right ingredients required for big oil fields," said Art Green, production manager for Mobil in Equatorial Guinea.

"The potential here is enormous," said Jean-Francois Gavalda, an expert with Elf Aquitaine SA, France's largest oil company. "There are new discoveries every two or three months, and that is why all the oil companies want to be here."

While it is much too soon to know whether Mr. Manana's prediction for Equatorial Guinea will fully pan out, oil company executives, industry analysts and diplomats say that the tiny country's spectacular entry onto the international oil scene is in many ways typical of a burst in exploration and production that is already well under way in this region.

Nigeria, the big power in the area, has been a major producer of oil, both onshore and off. But as Nigeria's own output has grown, recent discoveries throughout the Gulf of Guinea have spread the oil bounty even to such former backwaters as Malabo, capital of this former Spanish colony of only 350,000 people. From coastal Nigeria to Angola, African exploration off West Africa is regularly yielding major finds that have suddenly turned this region into one of the world's hottest zones for international oil companies.

The booming interest can be sensed in the first-class cabins of coastal airline flights, where heavy Texas draws have suddenly become as common as the

more customary accents of France and Britain, this region's dominant former colonial powers.

The growing importance of the Gulf of Guinea's oil reserves to the West was displayed in December, when Madeleine Albright insisted on tagging Angola onto her itinerary during her first African tour as secretary of state.

"Angola will soon be supplying 10 percent of U.S. oil imports, which is considerably more than Kuwait before the Gulf War," said James Rubin, the State Department spokesman. "It simply does not make sense to visit Central Africa without visiting Angola."

Throughout the Cold War, Washington was a principal backer of the Angolan rebel leader, Jonas Savimbi, and kept Angola's Marxist government at arm's length.

Nowadays, it is Mr. Savimbi who is out in the cold, while Washington courts the government in Luanda, Angola's capital. A U.S. company, Chevron Corp., is the leading producer in Angola, but is facing sharply increasing competition, particularly from Elf.

Mrs. Albright's recent African oil diplomacy has been matched by the foreign policies of France and Britain. President Jacques Chirac of France, for example, called his counterpart in the Republic of Congo, Denis Sassou-Nguesso, to congratulate him less than 48 hours after his victory in a devastating four-month civil war. The call was made despite the fact that General Sassou-Nguesso had just overthrown a democratically elected president, Pascal Lissouba.

Elf derives about 60 percent of its global oil production from the Gulf of

Guinea, and just prior to the war in Congo had inaugurated the world's largest deep-water offshore rig.

Just as in the Gulf, the need to beat foreign competition to the punch in rich emerging markets, has recently led Western governments to play down concerns over such issues as democracy, human rights and good governance in the name of energy security and corporate profits.

In addition to their vast oil reserves, all of the Gulf of Guinea's producers share the traits of authoritarian government. They also have in common brazen forms of official corruption, which have made their small elites some of the richest in the world while leaving the bulk of their populations in poverty.

In Equatorial Guinea, where the oil income should ensure a comfortable life for all, President Teodoro Obiang Nguema Mbasogo has begun pledging not to repeat the mistakes of neighbors, like Nigeria and Gabon, that have squandered export earnings.

So far, Equatorial Guinea has avoided the kind of turmoil that has swept neighbors like the Republic of Congo. But with many of the country's most promising oil fields abutting the maritime border with Nigeria, and intensely competitive oil companies from around the world already making feelers for prospecting rights, many wonder if a nation so small can long avoid being buffeted by similar intrigue.

"We are a little country that minds its own business," said Mr. Manana, the Equatorial Guinea oil official, adding, "All we want is to be left alone so that we can develop our country."

Escorts & Guides

HIGH SOCIETY
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Figures as of close
of trading Friday, March 06

Figures as of close trading Friday, March 06

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This table shows the performance of *Investment* related funds through Friday and included the top 4,000 funds in terms of assets. There are roughly 6,150 funds currently listed on Morningstar.

Group names are shown in *bold* face, with individual fund names in each group indented back. Funds that are not part of a group are not indented.

NAV is the net asset value, i.e. the portfolio value divided by the number of shares outstanding, as reported by the fund's weekly *Morningstar*. *NAV* excludes dividends or redemption charges. Changes show the variation from the previous Friday.

Notes: Fund footnotes: c - available only through a contractual plan; n - front-end and/or contingent deferred sales loads; p - fund assets are predominantly U.S. public equities; r - redemption charges; s - contingent deferred sales loads; t - money; y - footnotes p and t apply.

Price/fund footnotes: a - ex-capital gains distribution; b - previous day's quotations; s - alternate dividend or split.

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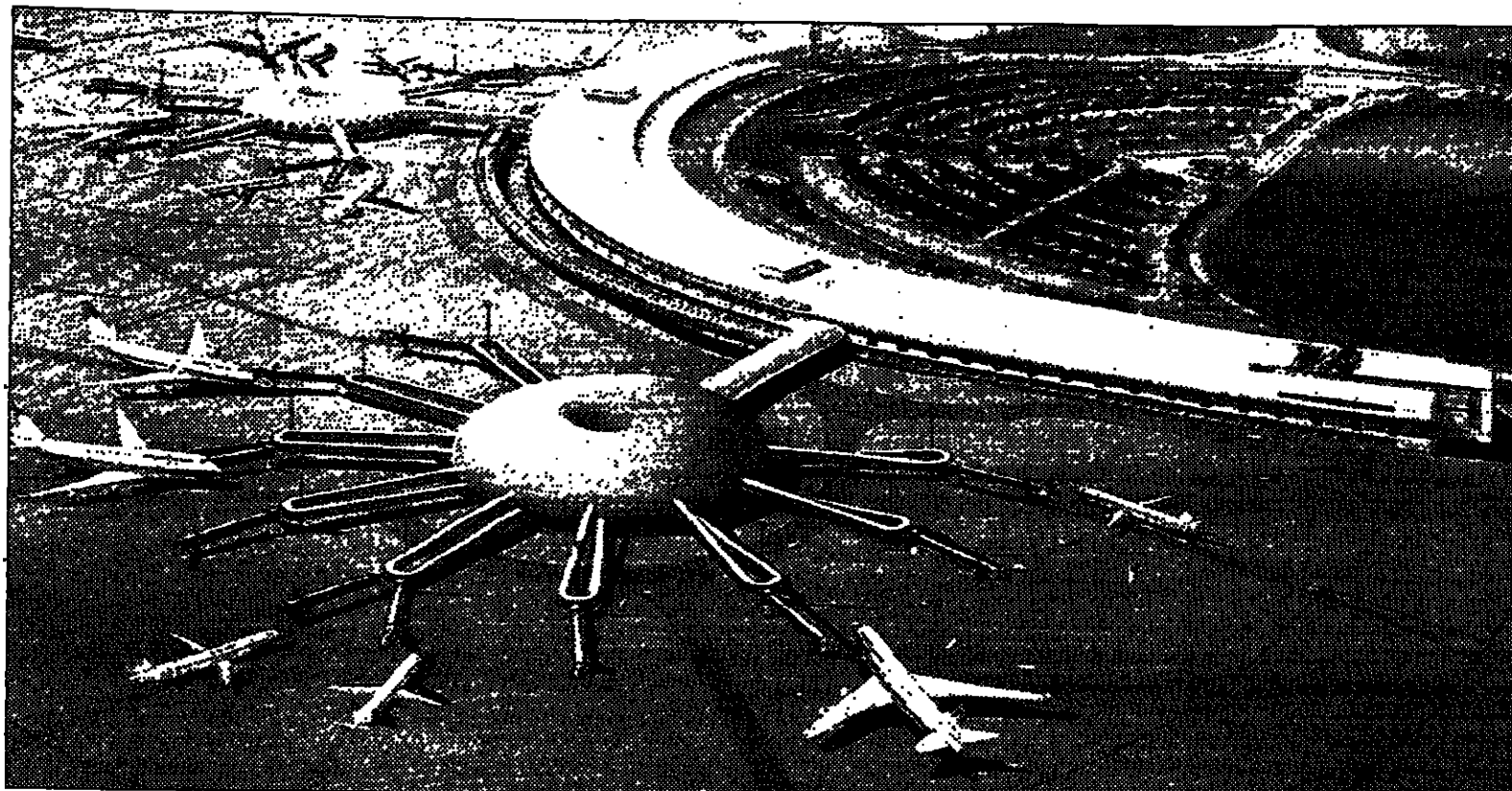
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ABU DHABI INTERNATIONAL AIRPORT

The expansion project for Abu Dhabi International Airport in the United Arab Emirates is at the leading edge of contemporary building technology



Right, the second 100-meter satellite, which will be connected to 11 aircraft stands.

THE MILLENNIUM'S NEW MASTER PLAN

A \$330 million expansion program will meet the demands of the next century.

Abu Dhabi has developed at an astonishing rate over the last 30 years. What was once a scattering of low-level buildings along a sandy seashore is now a sweeping corniche landscaped with gardens, palms, shrubs and flowers, and lined with massive concrete-and-glass buildings rising up against the blue skies.

This is a modern, bustling city, boasting every amenity and service, from luxury hotels and a vibrant banking sector to abundant recreational facilities for tourists on both land and sea.

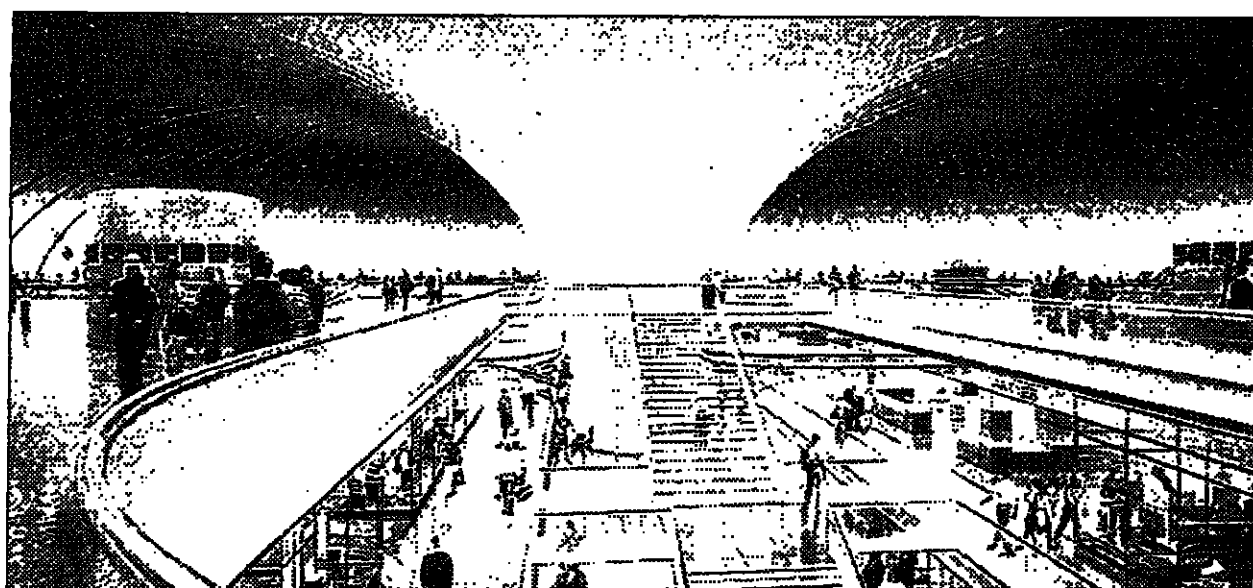
Abu Dhabi International Airport, located about 35 kilometers (20 miles) from the city center, can be credited with much of the continuing transformation. Its position as a major aviation center was enhanced with the opening in 1994 of Al Ain International Airport, located in the emirate's interior, some 100 kilometers from Abu Dhabi city. This makes Abu Dhabi the only emirate in the United

Arab Emirates to have two international airports.

The city skyline changes weekly. To keep up with modern developments, Abu Dhabi Airport is changing, too — not just to meet increased traffic needs, but to turn the airport into one of the Gulf's premier aviation centers.

Abdullah Bilhaif, director of engineering for the Department of Civil Aviation (DCA), explains some of the main points: "The airport's ambitious development plan will upgrade existing facilities, build new ones and incorporate some existing ones. It will be carried out in phases, so that by the year 2000 we will have the best airport in the Gulf. The master plan was set up with the assistance of Sheikh Hamdan bin Mubarak Al Nahyan, chairman of the DCA, and under his direction we are achieving these aims."

The existing terminal facilities consist of a futuristic saucer-shaped satellite building linked to the concourse by



an overhead tunnel. The proposed new terminal and satellite, designed by Aéroports de Paris, emphasize continuity with existing airport architecture. At the same time, they will incorporate the latest technology to achieve a high level of passenger service together with operational flexibility and efficiency. While the new satellite design will reflect the shape of the earlier one, it will be more innovative, larger and more transparent. It will make use of cutting-edge contemporary building technology, incorporating a blend of continuity and tradition with innovation and modernity.

Two parallel aspects

Mr. Bilhaif points out that when completed, the new passenger facilities will increase handling capacity to 7 million passengers a year. The project will be carried out in two parallel aspects, the first of which starts this month. TAMS International of the United States is also preparing plans for a second runway project.

In stage one, a second 100-meter-diameter (330-foot) satellite, larger than the existing one, will be connected directly to 11 aircraft bays capable of accommodating the most modern jets. The terminal building will offer a

high level of security by separating arriving and departing passengers, who will also have access to one of the best regional duty-free shopping complexes, which will be double the size of the existing duty-free area.

Airlines — currently about 45 — will be able to take advantage of some of the latest operational technology. There will be first and business class lounges, rest and recreation rooms, a movie theater and a playground. A moving transportation system will link the existing satellite terminal with the

new one, and a new aircraft apron will provide remote stands for another seven jets.

Stage two will include a second terminal building and a 200-room airport hotel with a nine-hole grass golf course. The terminal is expected to be completed within two years, and the hotel about three years later.

Al Ain expansion

Although it only opened four years ago, the international airport at Al Ain, the green oasis city, is also going to be expanded. It is currently served by more than eight

airlines. The existing passenger departure lounge is to be doubled in size, and there will be an enlarged check-in area and a VIP lounge. Other facilities will include new offices, high-tech in-flight catering services and a dedicated freight terminal, which is being designed by Meinhardt of Australia.

The Department of Civil Aviation hopes that the enhanced facilities at Al Ain will help boost tourism in the region, a particularly attractive part of the emirate, with mountains and desert oases. ●



"The Abu Dhabi Department of Civil Aviation is consistently researching and implementing strategies aimed at improving aviation in the region."

"Accordingly, Abu Dhabi International Airport is currently undergoing construction projects that will include the addition of a new satellite building, which has been awarded to the French company Aéroports de Paris."

"The 700 million dirham project is set to be fully operating by 2002. Aéroports de Paris will design a new satellite and terminal building, which will be futuristic in design and will double passenger-handling capacity to nearly 7 million."

"A comprehensive master plan has been drawn up that will take the airport into the 21st century and beyond. As transit traffic is being replaced by more nonstop flights with the new generation of long-distance jets, transfer business is seen as the future growth area. Abu Dhabi hopes to take advantage of the new trend and become the hub airport between Asia, the Far East and Europe."

Sheikh Hamdan bin Mubarak Al Nahyan
Chairman of the DCA

TURNING FLYERS INTO BUYERS

One of the highlights of Abu Dhabi Airport is its award-winning duty-free shopping complex.

Abu Dhabi Duty Free will be doubled in size when the airport expansion is completed, as the new satellite will provide an extra 4,000 square meters of retail space, dedicating a total of 7,200 square meters to duty-free shopping.

The new complex is expected to be home to 50 brand-name boutiques and 20 specialty boutiques.

The complex is designed to convey a High Street shopping experience, with walkways and escalators overlooking boarding lounges. "Such a magnificent duty-free area will be the venue for many favorite top-of-the-line boutiques sought by most travelers," says Mohamed Mounib, general manager of Abu Dhabi Duty Free. "Space is also available for first and business class lounges, rest and relaxation rooms, a movie theater and a playground." Sales last year amounted to more than \$75 million and are continuing to rise as more innovative developments take place in the duty-free area.

Mr. Mounib adds: "We have brought a new look to tax-free shopping in the Middle East region by introducing the 'brand' image concept of a shop-within-a-shop, combined with many self-service counters. There has been a major renovation and refurbishment of the perfume department, which now stocks 36 of the leading brand names in the world."

Each manufacturer has its own counter, where trained beauty consultants are available to give individual advice to any of the 3.3 million passengers who use the airport each year. These specialists can explain the best treatments for skin care as well as the proper use of cosmetics and other products.

In what is probably a first for the region, there are also two "beauty rooms," where passengers can try out new products and receive advice from the beauty consultants, who are available for both men and women.

Names to conjure with

"Tempt, try and buy is our strategy for beauty-care products," says Mr. Mounib. There are now 20 leading brand-name counters, including Calvin Klein, Dior, Chanel, YSL, Clinique, Clarins, Estée Lauder, Kenzo, Cartier, Lancôme, Bulgari, Revlon, Escada, La Prairie, Givenchy, Aramis, Pupa, Guerlain, Ralph Lauren, Tommy, Nina Ricci, Elizabeth Arden and Jean Paul Gaultier. There is also a general area displaying 16 other leading brands.

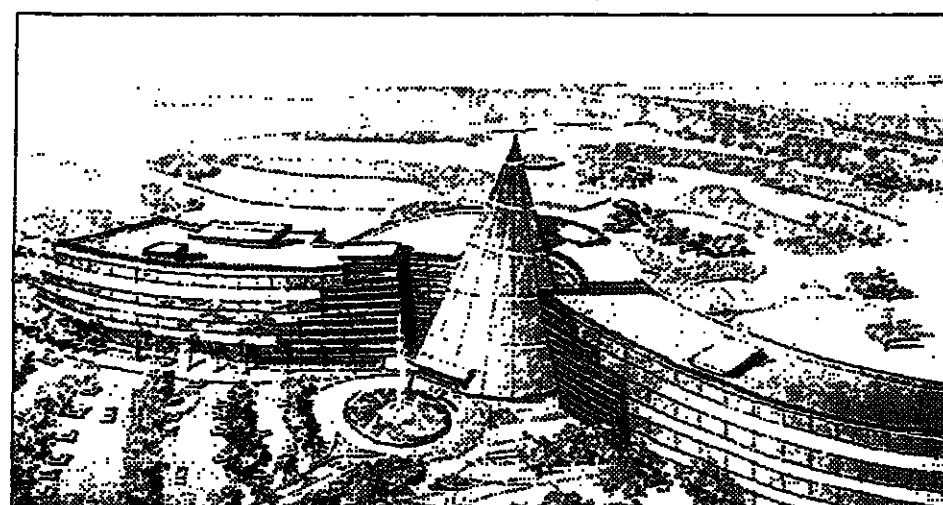
With the "sweet smell of success" pervading the duty-free complex, its discreet lighting, tasteful decor and special marble floors create a subtle atmosphere for flier-buyers. The aim is to suggest that everything on display is within their grasp.

Other changes introduced last year include the relocation and expansion of the leatherwear section, which now offers products from the Italian design house Salvatore Ferragamo for the first time in the Middle East. Items include handbags, shoes, ties and scarves. Similar products are also available from the Spanish company Richel and from other leading brand names like Gucci, Versace and Adolfo.

World-class bargains

Abu Dhabi, which has won a number of awards for excellence and promotion from the tax-free industry, offers some of the best bargains of any airport in the world. Mr. Mounib is confident of future expansion and is convinced that brand-name outlets will lead the way. "By accommodating some of the world's biggest names in product merchandising at dedicated outlets, we have created the most opulent ambience for carefree and pleasant shopping," he says.

Mr. Mounib is also responsible for the duty-free shops at Al Ain International Airport, which is being expanded as well. The existing complex consists of eight shops selling watches, gold jewelry, perfumes and cosmetics, beverages and tobacco, electronics and cameras, fashion and leather goods, food, books and toys. ●



Middle photo, the Abu Dhabi Duty Free shops in the year 2002, when an additional 4,000 square meters of retail space will feature walkways styled as real streets overlooking boarding lounges. Above, the 200-room Airport Hotel will be flanked by a nine-hole grass golf course.

QUALITY SERVICE FOR JETS

The massive hangar standing out against the desert skyline a short distance from Abu Dhabi's main airport complex is GAMCO, the Gulf Aircraft Maintenance Company. At almost any given time, there is a line of aircraft from countries as far afield as Turkey, Canada, the Caribbean, other Gulf Cooperation Council countries and the Far East waiting in front of it to be serviced. The 12,600-square-meter building can accommodate three L1011s or A340s plus two A320s simultaneously.

GAMCO is one of the few aircraft service centers of excellence in the region, and it has gained an international reputation for quality and reliability. In addition to scheduled maintenance, for which it holds airworthiness certification from more than 20 different countries, it undertakes unscheduled maintenance, major modifications and refurbishments of all kinds of civil, corporate and military aircraft.

AIRPORT HOTEL AND BUSINESS CLUB

New hotels and leisure facilities are helping to attract more visitors to the emirate.

One of the biggest surprises at the Abu Dhabi Airport is the transit hotel, which has 22 rooms, first-class restaurants, 24-hour service, a spacious lounge and a well-equipped business center. There is also a health club and children's play area.

Transit passengers wishing to use the hotel and its facilities need not pass through immigration. The hotel can be used by anyone in transit, irrespective of the class in which they are traveling, at the very reasonable

price of \$16 per visit per person.

An annual fee of \$408 entitles members to join the Business Travelers Club, with full access to all business and leisure facilities. Whether it's for a good night's sleep, or just a few hours' relaxation, the transit hotel provides an ideal oasis of peace and quiet. A new 200-room hotel is planned for the future airport expansion.

Membership in the Business Travelers Club provides another important service:

three-minute express check-in in Abu Dhabi Airport. The meet-and-greet service whisks travelers through check-in, immigration and customs, and members can use an exclusive departure lounge, restaurant, children's play area, business center and fitness center.

The Arabian experience
Abu Dhabi is one of the main gateways for visitors to the United Arab Emirates, which is now on the crest of a tourist boom.

They come not only for the

duty-free shopping and a visit to the souk, but for all kinds of water sports, desert safaris and a taste of the "Arabian Experience."

Luxury hotels with international management teams and those run by the Abu Dhabi National Hotels Company offer unrivaled service and facilities at very reasonable prices compared with those of most other places. One thing that is guaranteed for most of the year is unlimited sunshine and a warm sea.

In November, the Abu Dhabi Airport Golf Club was inaugurated. The 18-hole sand course, constructed on 700,000 square meters of airport land, is offering its services to transit passengers as well as resident golf lovers. Abu Dhabi Airport Golf Club is part of a giant project that will include the addition of a new nine-hole grass course as well as a new hotel over the next three years.

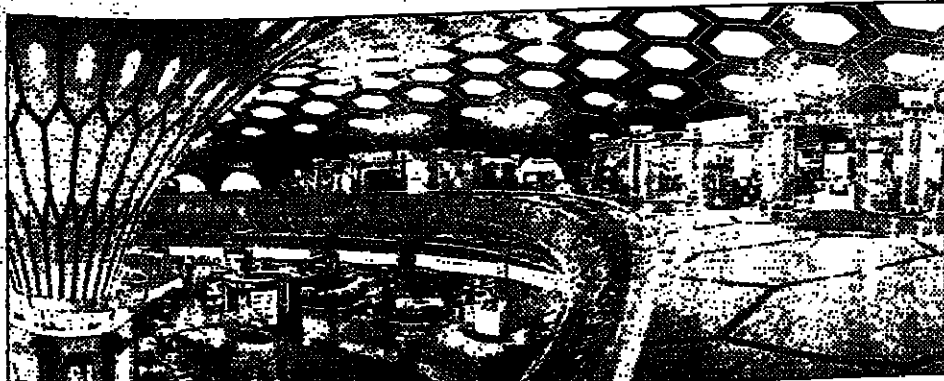
In addition, the city has an ice rink for those who want to cool off and show off their skating skills. Abu Dhabi was



Travelers can relax on the 18-hole Abu Dhabi Airport sand golf course, which opened in November.

one of the first countries to introduce sand boarding and skiing on the desert dunes. There is also a project for a multimillion-dollar theme park on a man-made island just off the city's seashore.

Many of the hotels are located on, or close to, a beach. One development — the Jazira Beach Resort — includes a hotel on a small island that can be reached via a canal from the sea. ●



The current Abu Dhabi duty-free complex.

"ABU DHABI INTERNATIONAL AIRPORT" was produced in its entirety by the Advertising Department of the International Herald Tribune. It was sponsored by Abu Dhabi Airport Duty Free. WRITER: Michael Frenchman in Britain. PROGRAM DIRECTOR: Bill Malher.

NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, March 6

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NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, March 6

(Continued)

Stocks	Div Yld	100s High	Low	Close	Open
AMZN	0.00	21.12	20.12	20.12	20.12
GOOG	0.00	17.61	17.61	17.61	17.61

Stocks	Div Yld	100s High	Low	Close	Open
MSFT	0.00	24.12	24.12	24.12	24.12
INTL	0.00	1.00	1.00	1.00	1.00

Stocks	Div Yld	100s High	Low	Close	Open
IBM	0.00	1.00	1.00	1.00	1.00
ORCL	0.00	1.00	1.00	1.00	1.00

Stocks	Div Yld	100s High	Low	Close	Open
MSFT	0.00	24.12	24.12	24.12	24.12
GOOG	0.00	17.61	17.61	17.61	17.61

Stocks	Div Yld	100s High	Low	Close	Open
AMZN	0.00	21.12	20.12	20.12	20.12
GOOG	0.00	17.61	17.61	17.61	17.61

Stocks	Div Yld	100s High	Low	Close	Open
MSFT	0.00	24.12	24.12	24.12	24.12
GOOG	0.00	17.61	17.61	17.61	17.61

Stocks	Div Yld	100s High	Low	Close	Open
AMZN	0.00	21.12	20.12	20.12	20.12
GOOG	0.00	17.61	17.61	17.61	17.61

Stocks	Div Yld	100s High	Low	Close	Open
MSFT	0.00	24.12	24.12	24.12	24.12
GOOG	0.00	17.61	17.61	17.61	17.61

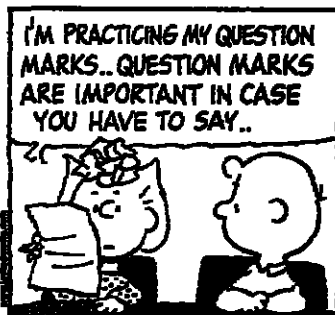
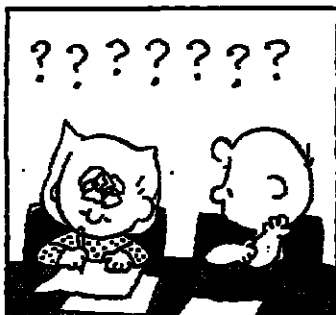
Stocks	Div Yld	100s High	Low	Close	Open
AMZN	0.00	21.12	20.12	20.12	20.12
GOOG	0.00	17.61	17.61	17.61	17.61

DENNIS THE MENACE



"LOOKS LIKE DINNER'S GONNA BE LATE. MOMS IN THE CHAT ROOM."

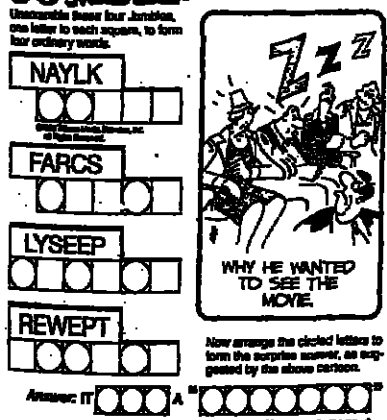
PEANUTS



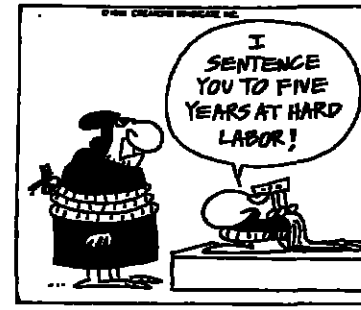
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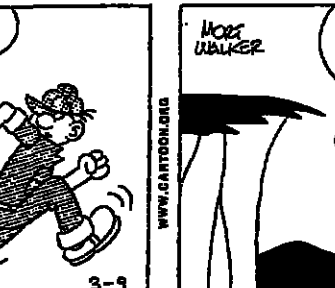
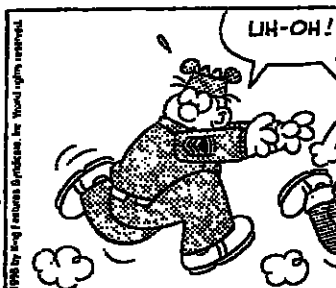
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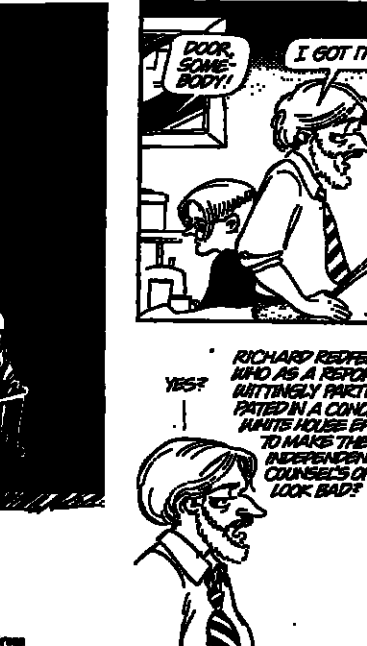
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SPORTS

Inter's Defense Weakens, And Parma Steps Up, 1-0

Ronaldo missed a penalty kick, and Inter Milan's defense suffered a lapse late in the match.

The result on Sunday was a 1-0 loss at AC Parma that pushed Inter further behind the Serie A leader, Juventus.

Ronaldo was fouled in the 67th minute by Ze Maria, a Parma defender, and his penalty shot was saved by Gianluigi Buffon, Parma's

EUROPEAN SOCCER ROUNDUP

20-year-old goalkeeper, Hernan Crespo scored the winner 11 minutes later, taking advantage of Inter's inability to clear a corner kick.

Juventus gained a 1-1 draw at Udinese when Alessandro Del Piero scored with one minute to play. Juventus has won just one of its last five matches, but Inter has lost two of its last three.

ENGLAND Bernard Lama, the French international goalkeeper, made four spectacular saves in only his second start of the season as West Ham earned a 1-1 tie at Arsenal on Sunday in the quarterfinal of the FA Cup.

Ian Pearce, a center half, gave West Ham the lead in the 12th minute with his first goal for the club. Pearce later fouled Martin Keown of Arsenal in the 27th minute to give Arsenal a penalty. Dennis Bergkamp scored to level the game.

Newcastle beat Barnsley, 3-1, to advance to the semifinals. Timmy Ketsiahe gave Newcastle the lead in the 16th minute with his first goal in the FA Cup. Gary Speed struck 10 minutes later. Nine players received yellow cards and Adrian Moses of Barnsley was ejected.

In quarterfinals Saturday, Wolves of the

first division won, 1-0, at Leeds of the Premier League. Sheffield United, of the first division, drew 1-1 at Coventry of the Premier League.

In the only Premier game on Sunday, Aston Villa, which is near the bottom of the standings, won 1-0 at Chelsea, which is chasing league-leading Manchester United. Julian Joachim scored the only goal after 51 minutes.

Manchester United still leads the division by nine points even though it lost, 2-0, at Sheffield Wednesday on Saturday.

Spain Celta Vigo moved into third place in the first division with a 1-0 victory on Sunday at struggling Sporting Gijon. Celta climbed to third, overtaking Atletico Madrid, which drew 0-0 with Betis of Seville.

Celta is three points behind second place Real Madrid. Real lost, 3-0, at Barcelona, the leader, on Saturday. The match turned on the ejection of Fernando Hierro, the Real center defender, in the 52d minute for his second yellow card. The game was tied, 0-0, following a series of acrobatic saves by Rued Hesp of Barcelona and Bodo Illgner of Real.

Sonny Anderson gave Barcelona the lead in the 69th minute, scoring from close range. Luis Figo and Rivaldo added late goals for Barcelona.

GERMANY Bayern Munich had the chance to exploit a slip by Kaiserslautern, the Bundesliga league leader. Instead Bayern, the reigning champion, lost even more ground. Kaiserslautern could only draw, 1-1, at home against Werder Bremen on Friday. On Sunday night, Bayern lost, 1-0, to Schalke in Gelsenkirchen. Thomas Linke scored the only goal in the 19th minute.

SCOTLAND Erik Pedersen of Dundee



Robert Di Matteo of Chelsea, left, battling with Dwight Yorke of Aston Villa.

United scored an own goal in the last minute Sunday to give Celtic a 3-2 victory in the quarterfinal of the Scottish Cup.

Falkirk, of the first division, and Hearts, of the premier division, also reached the semifinals by winning Saturday. Falkirk upset St.

Johnstone, 3-0. Hearts overpowered Ayr, 4-1.

NETHERLANDS PSV Eindhoven made up a little ground on the runaway Dutch league leader, Ajax Amsterdam, with a 1-0 victory at Utrecht on Sunday. Ajax's match at Enschede was called off after heavy rain. (AP, Reuters)

Japan, Champion of Far East, Looks Ahead to World Cup

By Tim Noonan
Special to the Herald Tribune

TOKYO — Less than two months after France opened the stadium that will stage the final of the 1998 World Cup, Japan has unveiled an environmentally and technologically friendly stadium that will be the likely venue for the 2002 final.

The Yokohama International Stadium was officially opened for the start of the four-nation Dynasty Cup competition. The cup is generally regarded as the unofficial championship of the Far East.

The fourth Dynasty Cup assumed added significance because it allowed rivals Japan and South Korea an opportunity to tune up their squads for the World Cup finals this summer. Despite winning its third consecutive Dynasty Cup, Japan looked less than sharp in losing the final game to China, 2-0, on Saturday in Tokyo. South Korea settled for third place ahead of Hong Kong, which lost all three of its matches.

The new Yokohama venue, an hour south of Tokyo, is being billed as a stadium for the 21st century. The stadium cost 60 billion yen (\$470 million). It seats 70,000 spectators. The Stade de France, by comparison, cost \$445 million and seats 80,000.

The Yokohama Stadium's electricity comes from incinerators burning city waste and a heat pump operated by waste water from a sewage treatment plant.

The soccer match at the Stade de France on a freezing January night was blighted because that stadium did not have undersoil heating. Yokohama has hot water pipes under the turf, and, despite the steady downpour of freezing rain on opening night on March 1, the pitch was still immaculate after two matches.

Mobile cameras project brilliantly clear pictures of the action onto two huge screens. This is useful because the nearest seats are about 30 meters (100 feet) away from the pitch in a stadium originally planned to house athletic championships. It was upgraded midway through construction for the World Cup. Hidetoshi Nakata, the Yokohama mayor, was in a buoyant mood on opening night. "I believe that we were able to show the quality of the stadium to many people," he said.

Takahide also met with a number of top South Korean soccer federation officials, and received favorable comments about his city's hopes to stage the World Cup final. A decision has yet to be made on the site for the final. Yokohama's sole rival is the Saitama Prefectural Stadium, to be completed in 2002.

The rising expectations of Japan's soccer fans were apparent in the chorus of boos the home team received after its disappointing performance Saturday against China, although the Japanese team did just enough to clinch the tournament. China needed to win 3-0 to take first place.

Although Japan's professional J-League is only five years old, passion for the game has been stoked by recent international success. Sixty percent of the televisions in the country tuned in for the final World Cup qualifier against Iran, making the broadcast the highest rated sports program in 25 years. Hidetoshi Nakata, a talented 21-year-old midfielder player, has become one of the most visible faces in the country, an honor previously reserved for the emperor and baseball players such as Ichiro Suzuki.

"He has had over 100 companies asking about endorsements," said Jack Sakazaki, president of one of Japan's largest sports marketing firms. "But the people who handle him don't want Nakata distracted and they don't want him overexposed. Unlike Ichiro, who is huge in Japan, Nakata has an opportunity to be an international star."

Nakata is a physically powerful player. Unfortunately, Takeshi Okada, the Japanese coach, does not have 10 more Nakatas. After losing to China, Okada remarked that it was difficult to wage attacks on opponents who were bigger. If Okada felt that his undersized team was over-

matched against China, wait until he sees Argentina and Croatia, who will likely make Japan's first World Cup trip memorable but unpleasant.

South Korea, too, is trying to overcome a lack of bulk. "I think they are among the finest teams in the world with inexperience energy," said Bobby Houghton, the China coach and former manager of Swedish club Malmö. "But as some of our bigger players demonstrated, they will certainly encounter problems against physical clubs."

The South Koreans are making their fifth trip to the World Cup. With their aggressive and tireless style, victories against Belgium, Mexico and even the Netherlands, the group favorite, would not be out of the question.

China failed to qualify for the finals, but Houghton said that after only a month in the job he had seen enough to believe the country has vast potential. If Houghton can develop a few skilled ball players, China may well be an Asian power in time for the 2002 World Cup.

In Defeat, Irish Gather Respect

France Wins a Close Match, 18-16

By Peter Berlin
International Herald Tribune

PARIS — After Ireland lost its opening match a month ago in the Five Nations rugby union championship, 17-16, to Scotland, Brian Ashton, the Irish coach, fell on his sword.

On Saturday, Ireland lost its second match by a remarkably similar margin — 18-16, to France — but Warren Gatland, Ashton's replacement, is more secure in his job as a result.

Two weeks ago, France went to Edinburgh and thrashed Scotland, 51-16. Form suggested Ireland was in for a wallop in Paris.

FIVE NATIONS RUGBY

where it has not won since 1972. Indeed, Ireland hadn't scored a try there since 1980, the last time the result was even close. On Saturday it scored a try and came within nine minutes and a few inches of a historic victory.

That did not mean, however, that Gatland, a New Zealander, was a happy man after the match.

"We took huge steps and regained our self respect and credibility," he said. "We completely silenced critics who thought that we would lose by 30-odd points."

But even as he tried to pluck encouragement from defeat, his face and tone of voice were miserable.

France was terrible for much of the match, perhaps because of the way the Irish played, perhaps because it took the Irish for granted.

France had destroyed England a month ago with an adrenaline-pumped assault in the opening 15 minutes. Against Ireland the French were flat. "We lacked energy and aggression," said Rafael Ibanez, the French captain.

The French were unable to play the game at the relentless pace that had reduced Scotland to exhaustion. The Irish were able to impose a stop-start pace, helped by their vulnerability to niggling injuries that forced a series of brief, restful delays.

France's forwards, particularly the back row, could develop no momentum against the tenacious Irish pack.

France's backs, hampered by Irish defenders, could not create the sparkling play of their victories over England and Scotland. They dropped the ball repeatedly and often took the wrong option.

On the one occasion that the French did create an overlap, in first half, Christophe Lemaire had a choice of three unmarked men to pass to. Any of the three could have scored. Lemaire chose the one in a green shirt, and after a moment's hesitation, Denis Hickie turned and galloped 60 meters to score Ireland's first try in Paris in 18 years.

Eric Elwood converted and kicked three penalties, and the Irish led, 16-6, with 20 minutes to play.

Finally, the French put together a signature flowing move, and winger Philippe Bernat-Salles touched down in the corner. Seconds later, he might have scored again, but he was tackled inches from the line by Colin O'Shea. Ireland's impressive fullback. The Irish still led, 16-13.

On an afternoon of French errors, the Irish undid themselves with two of their own. O'Shea, otherwise faultless, knocked the ball forward to force a lineout near the Irish line. The Irish threw in but lost the ball, and after a huge maul involving several backs and all 16 forwards, France squirmed over and touched down to give France a barely deserved victory.

Wales 19, Scotland 13. Wales, which is playing its home games at Wembley Stadium in north London, recovered from its dramatic thrashing by England two weeks ago with a hard-won victory over Scotland.

Gregor Townsend and Damian Cronin scored first-half tries for Scotland, which led, 13-9, at the break. Wayne Proctor scored the only Welsh touchdown early in the second half, but the game was won by the kicking of the Welsh fly-half, Arwel Thomas. Thomas had been dropped in favor of Neil Jenkins, a superior kicker, but when Jenkins was hurt in the 18th minute, Thomas came on and scored 11 points.

SCOREBOARD

BASEBALL

EXHIBITION BASEBALL

FRIDAY RESULTS

Minnesota 20, Tampa Bay 5
Texas 9, Boston 1
Detroit 6, Cleveland 3
Philadelphia 9, New York Yankees 6
Chicago White Sox 4, Milwaukee 3
Atlanta 4, Cleveland 4
Los Angeles 18, Baltimore 2
Pittsburgh 4, Cincinnati 5
New York Mets 3, Kansas City 8
Oakland 9, Chicago White Sox 1
Anheim 19, Chicago Cubs 8
Seattle 18, Milwaukee 9
Colorado 5, San Diego 3
Arizona 11, San Francisco 7
Montreal 11, Florida 4
Toronto 9, St. Louis 4

SATURDAY RESULTS

Texas 14, Minnesota 4
Boston 9, Pittsburgh 7
Cleveland 4, Houston 5
Kansas City 4, Atlanta 1
Baltimore 6, Montreal 5
New York Yankees 11, Chicago White Sox 3
Detroit 5, St. Louis 7
Philadelphia 9, Cincinnati 1
Anheim 9, Houston 4
New York Mets 3, Florida 2
Toronto 8, St. Louis 5
Chicago White Sox 11, New York Yankees 3
Los Angeles 6, Milwaukee 3
San Diego 6, Anheim 4
Seattle 7, Chicago Cubs 4
Milwaukee 4, San Diego 1
Colorado 5, Arizona 1
San Francisco 2, Anheim 0
Oakland 7, San Francisco 4
Cincinnati 9, Tampa Bay 8
Colorado 6, Arizona 5

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION
W L Pct GB
New York 31 23 .574 0
New Jersey 28 26 .519 3
Philadelphia 27 27 .500 4
Washington 26 28 .481 5
Boston 25 29 .463 6
Charlotte 23 31 .429 8
Miami 22 32 .407 9
Orlando 21 33 .389 10
Detroit 20 34 .368 11
Cleveland 19 35 .349 12
Indiana 18 36 .330 13
Pittsburgh 17 37 .311 14
Chicago 16 38 .292 15
Milwaukee 15 39 .273 16
St. Louis 14 40 .254 17
San Antonio 13 41 .235 18
Dallas 12 42 .216 19
Denver 11 43 .197 20

PACIFIC DIVISION

Seattle 31 23 .574 0
L.A. Lakers 30 24 .556 1
Portland 29 25 .528 2
Sacramento 28 26 .500 3
Golden State 27 27 .481 4
L.A. Clippers 26 28 .463 5
Phoenix 25 29 .435 6
Utah 24 30 .417 7
San Diego 23 31 .398 8
Houston 22 32 .379 9
Dallas 21 33 .350 10
Denver 20 34 .331 11
San Antonio 19 35 .312 12
New York 18 36 .293 13
Philadelphia 17 37 .274 14
Washington 16 38 .255 15
Boston 15 39 .236 16
Cleveland 14 40 .217 17
Detroit 13 41 .198 18
Chicago 12 42 .179 19
Milwaukee 11 43 .160 20
St. Louis 10 44 .141 21
San Francisco 9 45 .122 22
Indiana 8 46 .103 23
Pittsburgh 7 47 .084 24
Cincinnati 6 48 .065 25
New York Yankees 5 49 .046 26
Detroit 4 50 .027 27
Cleveland 3 51 .008 28
Boston 2 52 .000 29
Philadelphia 1 53 .000 30

WESTERN CONFERENCE

MINNESOTA DIVISION
W L Pct GB
Utah 31 23 .574 0
San Antonio 30 24 .556 1
Minnesota 29 25 .528 2
Houston 28 26 .500 3
Dallas 27 27 .481 4
Phoenix 26 28 .463 5
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MAJOR COLLEGE SCORES

SATURDAY RESULTS

Arizona 87, UCLA 57
Stanford 85, Oregon 57

COLLEGE TOURNAMENTS

AMERICA EAST CONFERENCE
Championship
Dartmouth 68, Boston U. 58
QUARTERFINALS
Dartmouth 68, Boston U. 58
Championship
Dartmouth 68, Boston U. 58
QUARTERFINALS
Dartmouth 68, Boston U. 58

AMERICA WEST CONFERENCE

Championship
Dartmouth 68, Boston U. 58
QUARTERFINALS
Dartmouth 68, Boston U. 58

EUROPEAN CUP

BOUNDS OF 16

SECOND OF BEST-OF-THREE MATCHES
Czech Republic 9, Elbas 10, 2-0
Elbas 10, Czech Republic 9, 2-0

ICE HOCKEY

NHL STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION
W L T Pts GB
New York 31 23 .574 0
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WESTERN CONFERENCE

ATLANTIC DIVISION

SPORTS

Connecticut Finds Its Way, As Rally Topples Syracuse

Huskies Erase 9-Point Deficit to Capture 3d Big East Title

NEW YORK — Connecticut played well for only the last nine minutes of final game of the Big East tournament. But that was good enough for a third conference title.

The top-seeded Huskies, who won the regular season by two games, struggled offensively for all three games in the tournament. On Saturday night

COLLEGE BASKETBALL

in the final, they beat second-seeded Syracuse, 69-64, thanks to their bench and defense.

Rashamel Jones scored 17 points to lead Connecticut, ranked No. 6 in the United States, who held the 224-ranked Orangemen (24-8) without a field goal for 8:28 of the second half as it wiped out a nine-point deficit. Jones had to replace a starting forward, Kevin Freeman, who injured his left wrist in the first half and was limited to 15 scoreless minutes.

Syracuse, which was looking for its fourth tournament title, had a 48-39 lead when Allen Griffin hit a 3-pointer with 9:35 to play. That was the last field goal the Orangemen would get for almost 8 1/2 minutes as Connecticut went on a 19-3 run. Syracuse just couldn't get a good shot against the man-to-man defense, and there were no offensive rebounds to be had as the Huskies controlled the boards as well.

"I say it to them all the time, that when the ball's not going in the basket we can still do something about the other team scoring," said Jim Calhoun, the Connecticut coach.

ATLANTIC TEN In Philadelphia, Xavier's James Posey, the best sixth man in the Atlantic 10 during the regular season, was the best player in the league's postseason tournament.

Posey scored 23 points, including 11-for-14 from the foul line, as Xavier won its first Atlantic 10 tournament with a 77-63 victory over George Washington.

Posey, who won the conference's sixth-man award the last two seasons, also had seven rebounds and two spectacular dunks as the Musketeers (22-7) took over in the closing minutes. Torrance Bragg added 17 points and seven rebounds and Lenny Brown had 14 points for Xavier, which will receive an automatic NCAA tournament bid. Yegor Mescheriakov led the Colonials (24-8) with 15 points and Pat Ngongba had 10 rebounds.

The game was physical from start to finish as both teams sat starters in the second half with foul trouble. J.J. Brade, Alexander Koul and Mike King fouled out for the Colonials.

George Washington finished with 20 turnovers and 29 fouls, and Xavier took advantage by making 34 of 43 from the line.

CONFERENCE USA In Cincinnati, Kenyon Martin had five points and a block in a decisive second-half run that carried Cincinnati to the Conference USA championship.

Cincinnati (26-5) won its sixth conference tournament in seven years by exploiting its home-court advantage and its depth against UNC Charlotte (19-10).

Martin had a basket, a tip-in, a free throw and a block during a 15-2 run that put Cincinnati ahead, 53-40, midway through the half.

WESTERN ATHLETIC CONFERENCE In Las Vegas, Tyrone Nesby hit a short jumper to put UNLV ahead, then clinched the game with two free throws with 9.9 seconds left as the Runnin' Rebels beat New Mexico, 56-51, to win the Western Athletic Conference tournament.

Before a frenzied home crowd, UNLV (20-12) scored the last nine points of the game to cap an improbable run and gain an automatic bid to the NCAA tournament for the first time since 1991.

Brian Keefe scored 18 points for UNLV, which lost twice to New Mexico (23-7) during the regular season.

SOUTHLANDS CONFERENCE In Shreveport, Louisiana, Nicholls State needed every one of Russell McCutcheon's 22 points in the Southland Conference championship game, but none more than the last two.

McCutcheon's basket with 11 seconds to play closed the scoring in Nicholls's 84-81 victory over Texas-Arlington that earned the Colonels an automatic berth in the NCAA tournament. McCutcheon was among the last to celebrate the victory, however.

"I didn't even know time had run out," McCutcheon said. "I was scared to let my man get his hands on the ball. When I heard the buzzer go off, I was still guarding."

Nicholls (19-9) overcame a nine-point deficit with a 17-4 run over the final five minutes.

SOUTHWESTERN ATHLETIC CONFERENCE Prairie View earned its first trip to the NCAA basketball tournament by beating Texas Southern, 59-57, in the finals of the Southwestern Athletic Conference tournament.

It wasn't easy. The seventh-seeded Panthers (13-16) had to overcome a 41-21 halftime deficit against the top-seeded Tigers.

The Texas school, which also faced double-digit deficits in earlier tournament victories over Alabama State and Jackson State, began chipping away by holding Texas Southern scoreless for the first seven minutes of the second half.

BIG SKY In Flagstaff, Arizona, Northern Arizona qualified for its first NCAA berth with a 77-50 victory over Montana State in the title game of the Big Sky Conference tournament.

Andrew Mavis had 11 of his 17 points in the first



Sean Colson of UNC-Charlotte, left, driving past Cincinnati's Michael Horton for a lay-up.

half as the Lumberjacks (21-7) opened a 45-21 lead and breezed to their eighth consecutive victory.

No. 2 Arizona 91, No. 19 UCLA 67 In Los Angeles, Michael Dickerson scored 30 points, two shy of his career high, and gave the second-ranked Wildcats their second lead of the game with 1:06 remaining as they held off UCLA.

UCLA (22-8, 12-6 Pac-10) led until the game's final 1:38. Arizona, which had already locked up the Pacific-10 championship, likely preserved a No. 1 seed in the West Region for the NCAA tournament with the victory.

No. 11 Stanford 85, Oregon St. 77 In Palo Alto, California, Arthur Lee had 27 points and 10 assists as Stanford beat Oregon State.

Kris Weems and Mark Madsen added 16 points each for Stanford (26-4, 15-3 Pac-10), which was sluggish for most of the game and shot just 47 percent.

Deandra Tanner had 25 points and Jerome Vaden added 20 for the Beavers (13-17, 3-15), who lost seven of their final eight games. The 26 victories match the second most by a Stanford team, tying the mark set by the 1988-89 squad.

With Lindros Out, Flyers Lose a Lift

Penguins Win After Hit Fells Star

THE ASSOCIATED PRESS
Jaromir Jagr set up third-period goals by Alexei Morozov and Martin Straka as the Pittsburgh Penguins beat Philadelphia, 6-4, knocking the Flyers' captain, Eric Lindros, out of the game with a concussion.

Lindros left the game at 8:48 of the second period on Saturday night after he was hit by a defenseman, Darius Kasparaitis. Lindros was near

NHL ROUNDOUP

the blue line and had his head down when Kasparaitis smashed him in the face with his shoulder with a clean check. Lindros, who leads the Flyers with 67 points, had to be helped from the ice and did not return.

He was transported to a hospital in Pittsburgh for evaluation.

Kings 2, Red Wings 1 Rob Blake scored the first two goals of the game, one on a shot from the red line and the other on a power play, as host Los Angeles ended a three-game winless streak with a victory over Detroit.

It was the ninth two-goal

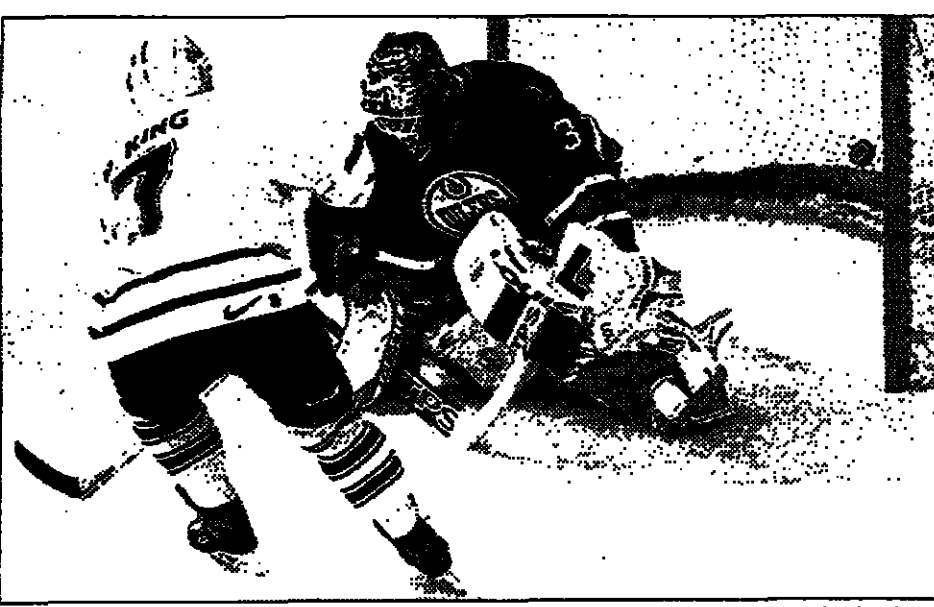
game for the eight-year veteran defenseman, who is still looking for his first hat trick. Steve Yzerman scored for the Red Wings, who have lost consecutive games for the third time this season. Chris Osgood finished with 25 saves after surrendering five goals on just 16 shots last Thursday night in a 5-4 loss at San Jose.

Blues 2, Stars 1 In St. Louis, Pierre Turgeon scored with nine minutes remaining to lead the Blues over Dallas. The game had been tied since 7:24 of the first period before Turgeon scored on a slap shot from the left circle to beat the Stars' goaltender, Ed Belfour.

The Blues are 4-1-0 against Dallas and 9-2-0 in their last 11 games.

Capitals 6, Panthers 3 In Washington, the Capitals exploded out of their worst losing streak in eight years, scoring four goals on five shots in the third period for a victory over Florida.

Joe Juneau had two goals and two assists, Richard Zednik scored twice, and Peter Bondra scored for the first time in a month.



Toronto's Derek King flicking the puck past the Edmonton goalie, Curtis Joseph.

Devils 6, Rangers 3 Krzysztof Oliwa scored his first NHL goal to trigger a three-goal, third-period outburst as host New Jersey extended its unbeaten streak to 10 games with a victory over the New York Rangers.

The setback spoiled Wayne Gretzky's 1,000th NHL goal (878 in the regular season, 122 in the playoffs), a power-play goal that tied the game at 3-3 in the second period.

Blackhawks 2, Bruins 1 Eric Daze's 24th goal broke a 1-1 tie and gave Chicago a victory over the Bruins in Boston.

Chicago ended a three-game winless streak while the Bruins lost for the first time in six games since returning from the Olympic break.

Avalanche 4, Islanders 2 Defenseman Sandis Ozolinsh scored a power-play goal and assisted on three other power-play goals as Colorado beat host New York.

Peter Forsberg added a goal and assist for Colorado, and Valery Karmensky and Keith Jones also scored. It was the fourth straight game that Forsberg recorded at least two points.

Sabres 2, Canadiens 1 Geoff Sanderson and Michel

Retooled Braves and Indians Are Comfortable With Change

By Murray Chass
New York Times Service

NEW YORK — The French say it, "Plus ça change, plus c'est la même chose."

The Atlanta Braves and the Cleveland Indians might not be able to translate that saying into the language of balls and strikes, but it fits these two teams perfectly: the more they change, the more they stay the same.

Both teams made major changes last year, but both continued to dominate their divisions. The Indians reached the World Series; the Braves fell one step short of a repeat of the 1995 Series. Now both have made significant changes again and await the outcome.

The Braves have turned over three-fourths of a veteran infield and have a new center fielder and leadoff hitter. The Indians have half of a new infield and a new center fielder.

Earlier in spring training, the Braves' general manager, John Schuerholz, said he talked at a staff meeting about the need to manage change effectively in the business that baseball has become.

"We're talking about managing change with the roster, managing change in the economic circumstances in the industry," he said.

"Change is thrust upon us far more frequently than it used to be. That stability isn't there. There's a lot of roster flux, a lot of roster turnover. We have to make moves to move guys off so we can bring a guy in we want."

Just before the start of last season, the Braves and the Indians made a major trade. The center fielder Kenny Lofton went from Cleveland to Atlanta, and the outfielders David Justice and Marquis Grissom moved to the Indians. Cleveland had previously acquired the third baseman Matt Williams and let the outfielder Albert Belle leave as a free agent.

This winter, Lofton, a free agent, returned to the Indians, who traded Grissom and swapped third basemen, Williams for Travis Fryman. They also added Geromino Berroa as the designated hitter and Shawn Dunston to fill a hole at second base.

The Braves moved Andruw Jones to center to replace Lofton, but that was simple compared to their infield maneuvers. Andres Galarraga has replaced Fred McGriff at first base, Walt Weiss has taken over from Jeff Blauser at shortstop and Tony Graffanino and Keith Lockhart are the platoon that has replaced Mark Lemke at second.

Schuerholz credited the team's manager, Bobby Cox, with doing a great job at incorporating new players. "One of the things Bobby has done more effectively than anybody I've seen," Schuerholz said, "is to deal with the changes that come to a roster every year and assimilate an effective group of guys every year."

Cox, in his 16th year of managing in the major leagues, said, "It's easy to assimilate guys like Galarraga and Walt Weiss to your team. We've always lost good people, but we've always gotten good people in return."

The manager said he had never done anything to ingrain the Braves' system in the newcomers, but he acknowledged that he did talk to them more than the returning players. By design, Cox said, he talked to the new players individually before the exhibition schedule began. "I let them know their roles, what we expect, stuff like that," he said.

"We do all that in a meeting as a whole team, but not specifically what we expect from them personally. We try to work out the kinks real quick. If there's going to be a problem, we try to talk about it early at least. Some guys might get the feeling they're going to be everyday players or play more than other guys or whatever, but we try to lay it out immediately and see what happens."

Mike Hargrove has the responsibility of making John Hart's acquisitions work in Cleveland. Assimilating new players, he said, is a major part of the job today.

"A manager's job is to get them together, get them to feel good about each other and do it as quickly as possible," Hargrove said.

"So far, so good. We have a system we believe in. We believe it works. We're able to plug in people in that system. So far it has permeated itself."

Melding the newcomers keeps Hargrove busy in spring training, especially in the early days. "We make a point to try to talk to everybody during the day," he said. "You wouldn't think that would be hard to do, but it is. You have 55 guys out there. If you spend 10 minutes with each guy, that eats up your day. We at least try to say, 'Hi, how you doing, how's it going, getting enough swings?' We let them know we're in this together. We care about them."

Like Cox, Hargrove said his job is easier when the new players are veterans.

"When you trade Matt Williams for Travis Fryman, that's about as even a trade as you can get," he said. "We've been able to sustain the talent as opposed to trading Matt Williams, and we have to start a Russell Branyan at third. The kid's got a lot of talent, but he's a kid."

On the other hand, Hargrove said, sometimes it can be tougher to bring in veterans "because they can be used to doing things a certain way."

For all of the success Bobby Cox and the Braves have had in meshing new players, Kenny Lofton proved to be an exception last year. Lofton, a talented center fielder in the American League, left his new teammates disillusioned by his play and his seemingly negative attitude.

His Atlanta teammates particularly noticed the way he played center and the way he ran the bases. His reputation for both in the AL had been impeccable. But as one member of the Braves said, "He was awful" and "He was overrated."

But Lofton is back with the Indians, and he apparently has responded to the friendly surroundings.

"It's obvious that he wasn't entirely happy over there," Mike Hargrove, the Cleveland manager, said, "but he doesn't gripe and moan about it. He hasn't knocked anyone. I respect a person who doesn't do that because it's easy to fall into that trap."

Instead of being negative, Hargrove said, Lofton has worked as hard this spring as he has ever seen him. "Kenny has always worked hard in certain areas, but there are other areas that Kenny might have taken for granted," Hargrove said. "I think Kenny took the health of his legs for granted for a number of years. I just last year showed him he's vulnerable like just everybody else."

Lofton, the manager said, worked with a personal trainer during the winter. "He's done a lot of work on his legs; that's obvious."

CROSSWORD

ACROSS
1 Howdy
2 Dooey time!
3 Bit of gravel
4 "Talest" or "Tidest"
5 Singer — King Cole
6 Lecture hall platform
7 Boxcars, in dice
8 Open, as a bottle
9 Weir
10 "Como used?"
11 Enigma, with "top"
24 Developments
25 One "E" on a scoreboard
26 Street urchin
27 Nay canister
28 Lost for Jack and Jill
29 Madcap
30 B-Across solo
31 Fairy tale figure
32 Bird on a beach
33 Malden and Marx
34 Scores 72 on a 72 course
35 Left
36 Kind of timing
37 Slowdown
38 Deep throat, e.g., in the Watergate scandal
39 Kill, as a dragon
40 Not slack
41 Smells
42 Birthmark
43 Nolan Ryan specialty
44 Bread spreads
45 Pale purple
46 NANA's opposite
47 Hornets' cousins
48 Scores 72 on a 72 course
49 Left
50 Kind of timing
51 Slowdown

DOWN
1 Map within a map
2 Become narrower
3 Cowie (cat)
4 Acceleration
5 Craggy peak
6 Garfield's canine pal
7 Bird beaks
8 It ends Lent
9 The Buckeyes: Abbr.
10 Locate exactly
11 Quoted (from)
12 Saw's opposite
13 Nile snakes
14 Bathing debris
15 Horacio's "Poetics"
16 Without women
17 Genetic initials
18 Kind of foil
19 Skip the usual wedding preparations
20 Land of the leprechauns
21 Tibetan ox
22 Paleozoic and Mesozoic
23 Hanger contents
24 Larry King employer
25 Cartoon cavern
26 Rock's Fleetwood —
27 Son of Aphrodite
28 Take a chair
29 Pub game
30 Egyptian boy
31 Long
32 Muscle ties
33 Surfer's sobriquet
34 Barnyard perch
35 Puppy love
36 Cosmetics
37 Flax-bottomed boat
38 Singer's refrain
39 Beehive State

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Solution to Puzzle of March 6

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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Coltart Wins Twice

Sidhu Hits Quick 50

Toshiba Is Disqualified

Nice Start for Belgian

CYCLING Franck Vandenbroucke won the Paris-Nice time-trial prologue on Sunday. Vandenbroucke, a 23-year-old Belgian with the Mapei team, clocked 12 minutes, 31 seconds on the 10.2 kilometer (6.3 mile) test from Suresnes into Paris. Laurent Jalabert, a Frenchman with the ONCE team, was second, seven seconds behind. Bruno Boscardin, a Swiss who rides for Festina, was third in 12:51. (Reuters)

FORMULA ONE

The drivers, predictably, could not

They were racing with a new braking system criticized by rivals, and gave



Schumacher, racing for the first time since he tried to barge Villeneuve out of the European Grand Prix, was furious when his Ferrari failed.

Maier Stays Home, but Wins 2 Titles

But the women's overall World Cup title will still be at stake in four races at the ski finals in Crans-Montana, Switzerland, starting Thursday. Seizinger leads two compatriots, Martina Ertl and Hilde Gerg, by 267 and 329 points.

Titles, as Usual, for Tar Heels and Wildcats

Roshown McLeod led Duke (29-3) with 24 points, and Chris Car-

UConn Wins Big East. Page 21.

Dean Smith, and moved North Carolina's record against Duke in ACC finals to 6-2.

BIG TEN. In Chicago, Robert (Tractor) Traylor bulled his 300-

history — and the 35th in the history of the NCAA — to have more than 2,000 points and 1,000 rebounds.

LeRon Williams of South Carolina fouling Kentucky's Michael Bradley on Sunday.

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France	0-800-991-011	Netherlands	0800-022-9111
Germany	0130-00-011	Russia (Moscow)	755-8942
		Saudi Arabia	1-800-10
		Spain	900-99-00
		Sweden	638-795-51
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